Daily Report

Latin America

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FBIS-LAT-93-091 *13 May 1993*

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Cuba

Government 'Still' Considers Maintenance of Guantanamo Navy Base 'Illegal'

PA1205124493 Havana Radio Havana Cuba in Spanish 0000 GMT 12 May 93

[Text] Cuban Foreign Minister Roberto Robaina has said that his country still considers the U.S. maintenance of Guantanamo Navy Base as illegal and obsolete. The solution of this issue, with the matter of the blockade, are among the priorities of the Cuban Government.

During a tour of Guantanamo Province, Robaina said that his government does not seek to impose conditions to engage in a dialogue with Washington. He said that as long as the respect and sovereignty of Cuba as an independent nation is not affected, there is no objection to discussing any topic with the United States.

The Cuban foreign minister is on a tour of that province, which included a visit to the border brigade of the town of Bucaram, near the Guantanamo Navy Base.

Need To Promote Ties With PRC Stressed

FL1305023693 Havana Radio Rebelde Network in Spanish 2300 GMT 12 May 93

[Text] Cuba and the PRC have stressed the need to promote ties between their respective national assemblies and permanent commissions. The two countries announced in Beijing that this is the spirit that will prevail in future bilateral efforts.

Brigadier General Moises Sio Wong, a deputy to the Cuban National Assembly of the People's Government, and (Zhu Qizhen), deputy director of the commission for foreign affairs of the permanent committee of the National People's Congress, are holding talks in Beijing. Sio Wong stated that the talks being held at the Great Palace of the People were characterized by a broad and fraternal exchange of information on the most recent meeting of the national assemblies of the two states.

Foreign Minister, Reporters Tour Homes, Polyclinic, Solar Research Center

FL1305021093 Havana Radio Rebelde Network in Spanish 2300 GMT 12 May 93

[Text] Today, the neighborhood of (Banban) welcomed to its new and old homes the domestic and foreign reporters who since yesterday have been following a busy schedule with Cuban Foreign Minister Roberto Robaina.

We talked with the locals about their present living conditions, particularly the homes that are being built with low-cost methods. To these people, difficulties do not mean delays in any of the efforts to benefit them because, as they say: It is a sure thing!

The second stop of the visit was the Josue Pais Polyclinic, a facility that treats the approximately 28,000 Santiago residents of the Abel Santamaria District. The nurses of this facility, which has every specialty, were observing International Nurses Day. Robaina took the opportunity to congratulate all Cuban nurses and saw the love with which they treat each patient at any hour.

Finally, the domestic and foreign press visited the solar research center, the only one of its kind in Cuba. This center, where it seems they work at high temperatures, is developing three main efforts: biological, thermal, and photo conversion. It is not only words and paper. Over 120 scientists and specialists are already supplying electricity through solar energy conversion to five clinics, remote mountain homes, and schools. They plan to provide solar electricity to another 17 homes in the future thanks to contributions from a foreign organization called Sun for Cuba.

The work session has also included interviews with Roberto Robaina by several reporters, radio stations, and television networks accredited in Cuba. Finally, this unique style of work will conclude tomorrow with visits to hospitals researching and treating optic neuritis.

Alarcon, Contino, UJC Members Tour Cayo Hueso Neighborhood

FL1305014093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 13 May 93

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], Juan Contino, first secretary of the Union of Young Communists [UJC], and other members of the UJC National Bureau toured the Cayo Hueso neighborhood.

This area became a Havana neighborhood in 1912. Exiled tobacco workers nicknamed it. There are almost 39,000 residents here in 22 districts. There is one People's Council that is getting a start on a social project for the special care of 894 children for whom there is no child care centers available. These children are being educated through informal methods at parks or in lobbies of buildings.

The visitors spoke with the residents, some of whom belong to social microbrigades to repair their own roofs, although the shortage of supplies and the age of the buildings make it difficult. The neighborhood has gathered a team of sociologists, architects, designers, and social workers in a workshop for a total transformation. Despite shortages, the first goal is the slums [cuarteria] among the rundown 10,000 houses.

[Begin Contino recording] There is a will, not only theoretical but practical, to find solutions. In this search for solutions, I believe many experiences are exchanged in our work, particularly our work with Cuban youth in general. It is important to be near our people and know their reality up close from the mouths of the people and hear their experiences. We come here, above all, to learn,

and we have learned. Every meeting of the bureau is a lesson for us. [end recording]

The trip to Cayo Hueso included: a visit to the Cuban Yuruba Cultural Association, voluntary work at a mechanized factory, a meeting at the Tobacco Association building, and the UJC National Bureau meeting. There Alarcon spoke about the style and method of action of the People's Government under the present circumstances and his concern for Cuba to make progress in the socialist project of our National Assembly.

WHO Assembly Approves Aid Resolution; Delegation To Verify Optic Neuritis

FL1305021993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 13 May 93

[Text] In Geneva on 12 May, the 46th assembly of the WHO approved a resolution to aid Cuba. The resolution asks member governments of the WHO to give aid to Cuba to help confront the consequences of the so-called storm of the century. Jorge Antelo, Cuban first vice health minister, stated that this morning he briefed several participating scientists on the optic neuritis epidemic. Antelo said that on 19 May a delegation of experts should arrive in Havana, including the chief of the WHO program for the prevention of blindness, to verify the magnitude of the illness and the cooperation required to fight it. Cuba needs approximately $17.3 million to fight optic neuropathy, which has affected over 25,900 people.

Temporary Commissions Said 'Ideal Mechanisms' To Discuss Energy Initiatives

PA1305034493 Havana Radio Havana Cuba in Spanish 0000 GMT 12 May 93

[Commentary by Roberto Morejon]

[Text] Cubans changed their electoral laws and their government system, especially the People's Government, through which the country seeks to promote greater efficiency in all fields to face the current adverse moments and the more serious ones that may lie ahead.

The government and the people are increasing the people's participation in making the appropriate decisions that affect the country.

Structures of the People's Government at national and municipal levels, such as temporary commissions in charge of dealing with important issues like energetics, were created with that objective in mind.

The creation of commissions at all levels to deal with the country's fuel situation shows the interest in mobilizing society around a key issue and taking actions that can help alleviate the current limitations.

The Cuban economy is going through dramatic moments as a result of the lack of fuel, among other reasons. In 1992 the island purchased only 6.1 million tons of fuel compared to the 13 million tons purchased in 1989 when the now extinct USSR supplied hydrocarbons at reasonable prices.

If in 1992 the Cuban economy has a purchasing power of only $2.1 billion annually—and it had to spend $850 million to purchase fuels—we begin to have an idea of the financial drain in that field. That is why the rational use of energetics in the island cannot be stressed enough. The People's Government can make a great contribution by creating an awareness about the need to conserve fuel and avoid squandering this resource without resorting to new investments.

The temporary commissions of the People's Government that are studying the energy issue are the ideal mechanisms to discuss initiatives on the most efficient ways of using fuels according to the specific needs of each territory.

Antigua and Barbuda

L. Bird Says Marshall's Bid for ALP Leadership Does Not 'Affect' Him

FL1205210593 Bridgetown CANA in English 1902 GMT 12 May 93

[Text] St. John's, Antigua, May 12, CANA—Foreign Affairs and Planning Minister Lester Bird, seeking to succeed his 83-year-old father Prime Minister Vere Bird as leader of the ruling Antigua Labour Party (ALP), Wednesday said the entry of former Trade Minister Hugh Marshall into the race did not "affect" him. Delegates at a forthcoming ALP convention later this month will make a second attempt to elect a successor to Prime Minister Bird, after their first attempt last year produced a dead heat between Lester Bird and Information Minister John St. Luce. The convention was scheduled to take place this weekend but Bird said it had been postponed because of organisational reasons. He was hopeful it would be held by the second week in June.

Marshall, who served as Lester Bird's campaign manager for last year's ballot, announced Tuesday he was entering the leadership race and would spell out his plans at a news conference on Thursday.

"He (Marshall) has obviously decided that he does not want to be my campaign manager this time around," Bird said. "His intention to contest the leadership position does not affect me. I will be campaigning to make sure that I get the greatest number of votes."

"Everbody in the Labour Party has the right to run," Bird added, hinting at the possibility of a fourth person entering the race.

Relations between Bird and Marshall cooled following a row in Parliament [words indistinct] criticised Public Utilities Minister Robin Yearwood during debate on a bill. Bird rebuked Marshall for "the manner and tone" of his comments.

Prime Minister Bird, who plans to retire when the ALP government's term ends next year, has publicly endorsed his son Lester's bid for the party leadership.

Commenting on his relationship with Marshall, Bird said: "We are still very much comrades. I don't have any animosity to Mr. Marshall. Over the years we have worked together and I hope in the future that will be so." Bird said he wanted the selection of delegates for the convention to be above board.

"If there is going to be any hanky-panky with the selection of the delegates and if some people are going to be using their money to influence the process, I will have to make some observation and determine my position," he said.

Dominica

Prime Minister on Opposition MP's Query on Economic Citizenship Program

FL1205144993 Bridgetown CANA in English 1418 GMT 12 May 93

[Text] Roseau, Dominica, May 12, CANA—Some 466 persons, mostly Taiwanese nationals, became citizens of Dominica between August 1991 and last month under a controversial government policy to boost inflows of foreign investment.

Prime Minister Dame Eugenia Charles gave the figure in Parliament earlier this week as she responded to an opposition MP's [Member of Parliament] query that the economic citizenship programme so far had brought U.S.5.8 million dollars into Dominica.

Charles said U.S.3.3 million dollars of this amount had been withdrawn from an escrow account where each investor is required to deposit a specified sum of money. She indicated there had been 10 withdrawals involving various sums of money on behalf of applicants.

When the economic citizenship policy was introduced, it encountered stiff opposition from the United Workers Party parliamentary opposition leader and a pressure group led by agronomist Arthie Martin.

Grenada

'No End in Sight' to Dockworkers Strike

FL1205155593 Bonaire Trans World Radio in English 1100 GMT 12 May 93

[Text] The Grenada dockworkers strike is still in progress with no end in sight. Odette Campbell reports on Caribbean Focus:

[Begin recording] [Campbell] Grenadian consumers may soon be grappling with food shortages because of a go-slow on the St. George's Fair. The go-slow is one week old and it was called by the Seamen and Waterfront Workers Union to protect the federal shipping agents to settle a two-year dispute. As a result of the go-slow, cargo vessels have had to leave Grenada with some cargo still on board because the dockworkers are not operating at their normal pace. Because of this, several vessels have announced that they will not be coming to Grenada because it is not economically viable to do so. Importers say that if the action continues for much longer, there could be shortages of food supplies and other items.

The government is saying that reduced revenue collection of the port could hamper its ability to pay public servants at the end of this month. The Seamen and Waterfront Workers Union have asked its affiliates in the Caribbean Congress of Labor not to handle cargo destined for Grenada and they have responded positively. The union's general secretary Eric Page is hoping for a speedy resolution and he is to meet with Prime Minister Nicholas Brathwaite Thursday afternoon at 3 o'clock to discuss the matter. From St. George's, this is Odette Campbell for Trans World Radio.

[Announcer] Do you know if there is any law in Grenada which could force the dockworkers to go back to work on penalty of maybe losing their jobs?

[Campbell] No, there is'nt. What is happening is that the government had threatened last year to take over labor of the port, but the seamen have threatened to get international backing to stop them from doing that. So what the government did was to put that matter back on top of [words indistinct], so that this matter with the shipping agents could be resolved. But up until this time, there has been no resolution.

[Announcer] And some of the goods that have been offloaded in other islands, are they going to stay there until indefinitely?

[Campbell] They are going to stay there until there is some kind of resolution because the ships are saying it makes no sense coming to Grenada or even taking the cargo back to Grenada when they know that their [word indistinct] will not be offloaded. [end recording]

Haiti

Aristide Says Army 'Lives on Drugs'

FL1205161593 Port-au-Prince Signal FM Radio in French 1030 GMT 11 May 93

[Text] The Haitian Army lives on drugs and the authors of the coup d'etat live on drug trafficking, stated President Jean-Bertrand Aristide in the newspaper EL SOL, which had published last week an interview with General Cedras, during which the Army head termed the ousted president's possible return to power unconstitutional.

During Aristide's interview with the Mexican newspaper, the ousted president explained that the coup d'etat that overthrew him occurred one month after an agreement was signed with the U.S. Administration to

intensify the struggle against drug trafficking in Haiti. According to Aristide, Haiti is number two in the hemisphere in organizing drug trafficking.

Since the coup, the Army has collected over $500 million from the drug trade, adds Aristide, who summarized statements by Howard French [not further identified] before adding that over 3,500 kg of cocaine are circulating in the Republic of Haiti. The ousted president said during his interview with EL SOL that the U.S. drug agency knows that since the September [1991] coup, the Army has been living on drugs and that the coupists live on drug trafficking.

Let us recall that last week the same newspaper published statements by Cedras calling President Aristide's return to power unconstitutional. The Army chief pointed out that the exiled president violated the 1987 Constitution more than 100 times and that the people just do not want him back in Haiti. Cedras denounced the numerous human rights violations committed under the Aristide government. He said that numerous persons were persecuted in addition to those who were victimized by necklacing because of their political ideology.

UN/OAS Mediator Said Scheduled To Meet Army High General Staff

FL1205172393 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 12 May 93

[Text] According to diplomatic sources, UN/OAS international mediator Dante Caputo is scheduled arrive in Port-au-Prince on 12 May, beginning his sixth mission to Haiti during which he is meant to meet with the Army high general staff on a quick solution to the 30 September 1991 crisis.

Various diplomatic personalities, whom we managed to contact in Port-au-Prince on 11 May and who wish to remain anonymous, do not confirm Caputo's visit for 12 May. They all agree that the Haitian issue will be presented to the UN Security Council, which can prevent the mediator from entering Haiti, in which case, they said, his mission could perhaps take another form.

Asked what he means by another form, the ambassador answered that Haiti's situation is not good at all and he believes that if the military wishes to change the situation quickly, it can keep the Security Council from a resolution aimed at sending an international police force. [words indistinct]

Christian Democratic Organization of America Demands End to Embargo

FL1205205093 Port-au-Prince Radio Metropole in French 1045 GMT 12 May 93

[Text] The Christian Democratic Organization of America [ODCA] has taken a stand regarding the situation in Haiti. On 11 May, the participants in a congress [words indistinct] voted on two resolutions on the Haitian crisis.

One of the resolutions adopted by the ODCA demands lifting economic sanctions on Haiti and an end to the embargo. This proposal was presented by former Haitian President Leslie Francois Manigat whose party, the Assembly of Progressive National Democrats, is a member of this organization. The organization also reaffirmed the necessity to respect the sovereignty of the Haitian nation in the search for a solution to the political crisis. While excluding a situation of trusteeship or foreign military intervention in Haiti, the ODCA hopes that international political cooperation comes together in order to facilitate the search among Haitians for a solution in conformity with democratic principles.

The second ODCA resolution on Haiti was submitted by the Dominican Republic. For Santo Domingo, any military intervention in Haiti will worsen the conflict. Therefore, the ODCA urged those friendly to its organization to demand international aid to the benefit of the Haitian people who are experiencing misfortune.

Dominican Vice Minister Reacts to U.S. Proposal

FL1205204393 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 12 May 93

[Text] The following is the reaction of an official of the Dominican Republic:

Dominican Vice Minister Fabio Herrera Cabral said that it is not through force that democracy can be restored in Haiti. He was reacting personally to the proposal that the United States will make to the UN Security Council for sending an international police force to Haiti.

The Dominican Government has not yet taken an official stand on the matter. Mr. Herrera advised that he would meet with President Joaquin Balaguer on the Haitian issue. The Dominican Government should indeed think about the consequences a foreign intervention in Haiti may have on the Dominican economy. This means Dominican Vice Minister Herrera is mostly defending the economic interests of his country which could be affected in the event that there could be a foreign intervention in Haiti.

It should be recalled that the Dominican Government rejected the text of the terms of reference that the international community presented to the Bazin government regarding the deployment of the international civilian mission in Haiti. It should be noted as well that since the 30 September 1991 coup, commerce between Haiti and the Dominican Republic has never stopped despite the embargo. Propane gas, gasoline, gas oil, and sugar have gone across the Haitian-Dominican border with problems. [sentence as heard]

Caricom Reacts 'Positively' to U.S. Proposal

FL1205165693 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 12 May 93

[Excerpt] [passage omitted] Caribbean Common Market [Caricom] countries have reacted positively to the U.S.

proposal that an international police force be sent to Haiti. This decision was reached after the 10 May meeting of Caribbean foreign affairs ministers in Saint-George, the capital of Grenada. The prime minister of Grenada stated that his country is ready to be part of the intervention force.

Mr. Baena Soares, secretary general of the OAS, does not wish to comment on the U.S. proposal to the UN Security Council to send 500 armed policemen to Haiti, within the scope of a political solution to the 30 September 1991 crisis. Several personalities in the country's political sector have reacted. Neither the Villa d'Accueil government nor the Army has reacted.

Jamaica

Opposition's Seaga Not To Back Down From Demand for Election Fraud Inquiry

FL1205184793 Bridgetown CANA in English 1652 GMT 12 May 93

[Text] Kingston, Jamaica, May 12, CANA—Opposition leader Edward Seaga vowed Tuesday not to back down from his demand for a public enquiry into electoral fraud here even as successful candidates of his Jamaica Labour Party (JLP) in the March 30 general election, were sworn in as members of the House of Assembly.

Seaga pledged not only to maintain a partial boycott of Parliament to dramatise the position of his Jamaica Labour Party but also to take his case to community leaders in Jamaica and the international community through the local diplomatic corps. He also announced the JLP will unveil a document on Sunday detailing alleged incidents of fraud and intimidation in the March 30 election in which the JLP was severely beaten by prime minister P.J. Patterson's People's National Party (PNP).

The JLP, which won eight seats to the PNP's 52, said their showing was worsened by widespread fraud and corruption, including strong-arm tactics by some policemen. Seaga has refused to name opposition senators and has said that his party members would only attend the number of parliamentary sittings necessary to maintain their seats until the JLP-demanded commission of enquiry is set up by the government.

".... No retreat, no surrender," Seaga declared after being pressed by journalists on whether he would entertain a face-saving compromise or take another route to the type of full-scale reform of the electoral system he has made the centrepiece of his argument.

Prime Minister Patterson has consistently, even in his election victory speech, declared the need for electoral reform, but has argued that it should take place within the context of the Electoral Advisory Committee (EAC), which oversees elections here. However, Seaga told journalists the fraud of the recent election was far more widespread than before. He claimed selected policemen were involved in intimidation and charged that the electoral office, either through incompetence or design, had made a mess of the electoral process. The findings of past studies and enquiries were inadequate to deal with the current problems, according to the opposition JLP leader. The country needed to know why it happened and who gave the orders and this could only be done under the aegis of the commission of enquiry conducted by competent persons, Seaga argued.

"Unless we know the cause, one cannot affect the necessary solutions," Seaga declared. The opposition leader dismissed suggestions that he had led the JLP into a hardline position on the election issue to deflect the possibility of questions about his continued leadership of his party—an issue that for three years caused deep divisions in the JLP. A group, typified by five members who came to be called "The Gang of Five," had criticised Seaga's leadership style. Seaga said there was international concern over the conduct of the election, and he intended to keep up the pressure.

".... There is deep concern in the diplomatic community... That goes right back to the root of their government."

St. Vincent and the Grenadines

Prime Minister Taking Health Minister 'Under His Wing'

FL1205221193 Bridgetown CANA in English 2028 GMT 12 May 93

[Report by Corlita Ollivierre]

[Text] Kingstown, St. Vincent, May 12, CANA—The St. Vincent and the Grenadines health minister, Burton Williams, has been transferred to the prime minister's office in the wake of a controversy at the country's main public hospital. Prime Minister James Mitchell, making the announcement during a national radio and television address Tuesday evening, said he was taking Williams under his wing. Williams was replaced Wednesday by former parliamentary secretary in the prime minister's office, Alpian Allen, whose status has been upgraded to a full-fledged minister.

Mitchell said he was satisfied that the health minister became caught up in the "tangle of personality conflict with the doctors." Using nautical expressions, Mitchell said Williams failed to deal with the problem effectively when it arose.

"When you see a squall breaking, you must ease the jib sheet. Burton (Williams) did not ease the sheet in time and too much water came on deck and nearly washed away some of the crew," Mitchell said.

The reference was to a rift which emerged within the ruling New Democratic Party. Attorney-general Parnel Campbell said he had been contemplating resigning when he was publicly rebuked a few weeks ago by then

acting prime minister Allan Cruickshank for failing to try dialogue in resolving a medical dispute in which a doctor claimed he was being prevented from attending to his pregnant patients at the hospital. Campbell intimated that a final decision on his place within the government would be based on Mitchell's announced outcome of his investigations into the controversy. However, Campbell, who failed to show up for work and Allen's swearing in ceremony Wednesday, could not be reached for a response.

Meanwhile, the government has called off an enquiry which the former health minister had ordered into incidences of maternal complications and deaths at the Kingstown Hospital. Williams had announced the enquiry in March following expressions of concern about incidences of maternal complications and deaths at the hospital during the past four years.

Mitchell said he had been advised by nurses and doctors not to go through with the enquiry which was to be done by a four-member commission. Mitchell suggested the enquiry was ordered following strong public response over the death during delivery of a 30-year old government employee a few weeks ago. The woman died in Barbados where she was rushed for medical attention after reports indicated she was not receiving the help needed at the Kingstown Hospital.

"I have received sufficient information from several sources to let me know that we will not get the full picture in Barbados," Mitchell said. The enquiry was to have started in April but reports indicated failure to provide the commission with necessary guidelines and non-provision of funds delayed the probe.

Guatemala

Army Personnel Sentenced for Murder of U.S. Citizen

PA1205221793 Guatemala City Teleonce Television in Spanish 0345 GMT 12 May 93

[Text] The Fourth Chamber of the Court of Appeals has reached a decision on the murder of U.S. citizen Michael Devine perpetrated in Poptun, Peten in June 1990. The Court has sentenced Army Captain Hugo Roberto Contreras to 20 years. The sentence is incommutable. Five soldiers also involved in the deed were sentenced to 30 years, Fourth Chamber President Hector Perez Aguilera reported:

[Begin recording] [Perez] Daniel Tolon, Tiburcio Hernandez, Oliverio Orellana, Joaquin Alfaro, Francisco Solbal, and Rafael Tiul have been found guilty of murdering U.S. citizen Michael Devine and have been given an incommutable sentence of 30 years.

[Unidentified reporter] What about Capt. Contreras?

[Perez] We have revoked the sentence for first degree murder previously passed on him. The Court of Appeals, acting as a military court, was found to be an accomplice of the crime. Consequently, he has been given an incommutable sentence of 20 years. I must say it has taken us many hours of study and work with military experts to reach this verdict. I must add that the military court members have explained why they (?agree) with the decision. The verdict includes an explanation of the military court members' vote. The individuals affected by the ruling have the right to appeal to the Supreme Court of Justice because they still have one special resource available, that of appeal to the highest court.

[Reporter] [question indistinct]?

[Perez] The Court based its decision on the fact that Contreras participated in and is therefore also guilty of the crime because he was the soldiers' immediate superior. Through clues or indirect evidence, he was proven to have participated in creating the commission that investigated [words indistinct]

[Reporter] What position did Contreras hold in the Technical Institute?

[Perez] Officially two in Military Zone 23.

[Reporter] [question indistinct]?

[Perez] I could not tell in military terms. I understand, however, that he was in charge of intelligence.

[Reporter] [words indistinct] the actions of the judges and magistrates closely obeying the law.

[Perez] Not at all. The decision is based on the documents and evidence compiled and strict adherence to the law. We do not intend to harm purposefully any person. Our duty is to administer justice, and that is what we have done. We are obeying the constitutional mandate to watch over the administration of justice. That is what we are doing. [end recording]

Court Upholds Sentences

PA1205173193 Panama City ACAN in Spanish 1639 GMT 12 May 93

[Excerpt] Guatemala City, 12 May (ACAN-EFE)—The Fourth Chamber of the Guatemalan Appeals Court on 12 May upheld the 20-year sentence against an Army captain and the 30-year sentences against six soldiers for the murder of U.S. citizen Michael Devine in northern Peten Department on 8 July 1990.

Hector Hugo Perez, president of the chamber which assumed court martial functions, explained that Captain Hugo Roberto Contreras was given a 20-year incommutable sentence for complicity in the crime.

Soldiers Daniel Tolon, Tiburcio Hernandez, Oliverio Orellana, Joaquin Alfaro, Francisco Solbal, and Rafael Tiul were given 30-year incommutable sentences.

Contreras will have to pay approximately $36,442 and the soldiers $2,185 for civil liabilities, according to the judicial ruling, which acquitted four other soldiers due to lack of evidence against them.

The murder of Devine, who lived in Ixobel, in Poptun Municipality in Peten Department, where he had a hotel, led to the suspension of U.S. military aid to Guatemala in December 1990. This aid has yet to be resumed. [passage omitted]

Human Rights Attorney General: Recent Student Riots Will Not Solve Problems

PA1305010093 Guatemala City PRENSA LIBRE in Spanish 12 May 93 p 4

[Text] It has been reported that on the evening of 11 May following a day of riots, Ramiro de Leon Carpio, Guatemala's Human Rights attorney general, appealed to Guatemala City's secondary school students and their leaders to exercise their right to make demands in a sensible way and within the law.

The human rights advocate said the kind of student protests carried out in recent days will not solve any problems. He said that the country's atmosphere is tense and that the Guatemalan people are tired of violence. He added: Setting buses on fire, erecting roadblocks, attacking private property, and particularly creating situations dangerous to people's physical integrity does not facilitate a dialogue.

He continued by stating that these types of actions are deplorable. It is necessary to appeal to students, their leaders, and their parents to use common sense. It is also necessary, he said, to ask them to search for a dialogue to find solutions, not problems.

In De Leon's opinion, it is necessary to provide more information about the students' identification cards and that can be done through honest and rational talks, not through violence. De Leon Carpio also urged policemen to act prudently and without repression, which has unfortunately been the case far too often.

Finally, De Leon Carpio deplored the fact that an unidentified person fired shots during the 11 May demonstrations and wounded a student.

Government Closes 3 Schools

PA1305011093 Mexico City NOTIMEX in Spanish 2259 GMT 12 May 93

[Text] Guatemala City, 12 May (NOTIMEX)—The Guatemalan Government decided on 12 May to close three schools and void the school registration of approximately 3,000 students who set four buses on fire and destroyed businesses in violent disturbances that left several dozen people injured.

Students from the Rafael Aqueche Institute, Commerce Institute, and Central Male Institute took to the streets with covered faces and violently protested the cancellation of the student transportation coupon and the creation of an identification card.

The National Police force kept watch over various parts of the city while the security cabinet decided to take strong actions against those who participated in the disturbances.

Other groups from the Evening Central Institute and Commerce II Institute clashed with riot police on 11 May, leaving one student in critical condition from gunshot wounds and an undetermined number of arrests.

Nine riot policemen and two citizens were injured when attacked by the students, who hurled bottles, stones, and pipes from the school roofs.

Police Spokesman Darwin de Leon Palencia reported that strong actions will be taken against the students who damaged two radio patrol cars and seriously injured seven policemen.

The University Student Association gave its unconditional support to the high school students and warned that they will also destroy buses.

The urban transportation union was to announce this afternoon if they were going to halt operations due to the students' constant attacks.

If the strike takes place, about 1,700 buses will stop serving over 1.5 million users.

The transportation union leaders demanded that the authorities provide them with the necessary protection to keep the service from becoming totally paralyzed.

The Metrobus private bus company, which is considered the best bus company, has already withdrawn over 100 buses from service.

Education Minister Maria Luisa Beltranena de Padilla announced that the schools will be investigated and students who have taken part in criminal activities will be expelled and punished in accordance with the law.

Human Rights Attorney General Reacts to Serrano's 'Attack'

PA1205214193 Guatemala City SIGLO VEINTIUNO in Spanish 11 May 93 p 3

[Text] The dispute that has been going on for months between the government and the Human Rights Attorney General's Office has deteriorated in the last few hours given President Serrano's strong criticism of the administration of Ramiro de Leon Carpio, human rights attorney general. De Leon Carpio did not waste any time reacting to the president's attack.

The human rights attorney general on 10 May said the confrontation has been going on for some time because government officials defy his resolutions. He said, however, that now the situation is worse because the criticism is coming directly from the president, not just from his ministers or other officials.

De Leon Carpio reported that President Serrano is trying to shut him up and keep him from doing anything in response to government actions that affect the population. "The president wants the human rights attorney general to remain inactive and not issue resolutions against the government's actions," he added.

De Leon Carpio affirmed that the president is incorrect when he said the human rights attorney general does not have the power to intervene in the conflict over the energy rate increase or the restoration project in Capuchinas. "Those kind of statements do not benefit his government either locally or internationally, where such statements would draw laughter," he stated.

De Leon Carpio said that when a government acts like the current administration it joins the ranks of the human rights violators. He added that as long as the president continues to criticize the human rights attorney general, disrespect his resolutions, and do whatever he feels like doing, he will be supporting impunity in the country.

De Leon Carpio said he is empowered by law and the Constitution to intervene in the energy rates problem because, as human rights attorney general, he is also responsible for defending the economic and social rights of the population, not only those pertaining to the life and physical integrity of persons.

Regarding his statements criticizing the restoration works of the Capuchinas Convent, Antigua Guatemala, the human rights attorney general said he is also entitled to make such statements, as he is trying to prevent the

destruction of a historical monument, which would constitute a violation of Guatemalans' cultural rights.

De Leon Carpio announced that he will soon issue a condemnatory resolution in the Capuchinas case in which he will charge the Council for the Protection of Antigua, particularly conservative Victor Sandoval, with violating the Protection Law of Antigua, Guatemala.

Regarding the president's accusations that he defends criminals, the human rights attorney general said he just defends women, children, men, union leaders, Indians, refugees, returning refugees, displaced persons, reporters, and students who are not criminals, unless the president considers them criminals.

"Security forces should use their powers to apprehend and jail criminals so they are quickly put to trial and the weight of the law can fall on them," De Leon Carpio added.

Finally, Ramiro de Leon Carpio denied that he is a presidential candidate and explained that he is not a member of a political party because he is legally and morally banned from engaging in such activities.

According to the human rights attorney general, there are no conditions for him to be a presidential candidate. As a political leader already stated, the human rights attorney general is confronting the forces of power. I, he concluded, am going to continue accusing whomever I must accuse, regardless of who he is or with what institution he is employed.

Defense Minister Says Mercenary Groups Among 'Terrorist' Rebels

PA1205223393 Guatemala City Teleonce Television in Spanish 0345 GMT 11 May 93

[Text] Defense Minister General Jose Domingo Garcia Samayoa has announced that the Defense Ministry has found mercenaries among the Guatemalan guerrilla ranks. Gen. Garcia said the situation became evident following a clash on 7 May in Santa Rosa where one soldier and three rebels were killed.

[Begin recording] [Garcia] This is a complex situation because we have proven that mercenary groups are among the terrorist rebels. We are going to discuss the matter with the Commission of [words indistinct]. I want to point out specifically that these groups are formed by Salvadorans and obviously that opens a new aspect on the situation.

Evidence of this is the fact that the Guatemalan terrorist rebels are following guidelines that are not in keeping with the people's needs. There is direct participation by forces that follow dark principles. We are going to defend the people as they demand. We will strive for their protection and security so the country can develop within an acceptable framework of security.

[Unidentified reporter] You say there are many Salvadorans in the group?

[Garcia Samayoa] Yes. We have detected them by their accent. As you well know, they have no identification papers [words indistinct]. It is a delicate issue because they are leaving their dead everywhere. Later on, when certain commissions come here and begin to exhume those dead, they say there are clandestine cemeteries. That is entirely untrue.

It is being proven that some of the dead are buried in an area of Salama where bodies were found by a group of residents. The rebels had their general headquarters in that area a few years ago. The body of an officer's father, who had been kidnapped by the rebels and later murdered in the area, was recovered in there. This again proves the truth of about all those clandestine cemeteries that some people now want to use for political purposes. Actually, those bodies belong to the persons who were executed by the rebels back in the sixties when there was a great deal of violence in rural areas. [end recording]

Honduras

'Problem of Foreign Meddling' Viewed

PA1205235793 Tegucigalpa EL HERALDO in Spanish 11 May 93 p 9

[Editorial: "Uncle Sam's Threats"]

[Text] The U.S. Government has warned Honduras that it could cancel its shrimp imports because of this country's failure to comply with U.S. laws protecting the sea turtle.

The United States also threatened to remove Honduras from the Caribbean Basin and Enterprise for the Americas Initiatives by ceasing to implement the generalized preference system for Honduran exports because Honduras has not approved a intellectual property or copyright law. In both instances U.S. Ambassador Cresencio Arcos said that the country stands to loose many millions of dollars due to Honduras' noncompliance with those two requirements.

The reaction by some political leaders and public officials was to reject "Uncle Sam's" threats and add that the United States is not abandoning its imperialist ways of imposing its dictates on poor, small countries to protect its interests.

At the bottom of these arguments we can find, however, "pecadilloes" that reveal a false civic or patriotic conscience. Our leaders' and full-time politicians' attitudes of following their whims concerning the solemn commitments Honduras undertakes is legendary, something that becomes even clearer when it is a matter of enforcing national or international regulations on certain sectors of society and when the private interests of some become confused with the nation's general interests.

It has happened and is happening right now. Modernizing the national economy and the spirit of regional and world competition we are now trying to fan like a weak flame in the middle of a night of pessimism and neglect are also the products of strong international pressures from highly industrialized capitalist countries and credit institutions. It is also obvious that in this tangle of interests the hand of the United States is found pointing out the path to take and setting the required pace.

This problem of foreign meddling in Honduras' domestic affairs is the result of several specific weaknesses and flaws in our conduct regarding the sovereignty of the people and the state, the seriousness of our own convictions, and the self-esteem we must maintain as a people and a political organization.

It has been and remains a painful custom of some Honduran leaders to make bilateral agreements with representatives of foreign governments within the "friendly framework" of their personal relations, believing they will later be reciprocated. The most detestable acts of servility and the most dastardly adventures against the dignity of Honduras have been committed that way. When a Honduran asks for the "favor" to be returned, he realizes that the laws and regulations that govern diplomatic activities are respected on the other side of the table, and nobody can undermine the interests of his country without being seriously punished.'

In the specific case of Honduran fishermen, especially in the Caribbean Sea, it is to Honduras' benefit when the special nets that do not hurt sea turtles are used.

Expert reports on the matter indicate that fisherman cause serious damage to sea life because their fishing tackle is inappropriate and captures small species in their developmental phase.

There is total interdependence when it comes to the environment. All countries stated at the 1992 Earth Summit in Rio de Janeiro, Brazil that they must combine efforts since the sea turtle problems have repercussions in the North.

Environmental defense is obviously an area of common interest between the United States and other peoples, hence it is reasonable to comply with these norms.

It is equally reasonable to respect intellectual property rights as the piracy of musical recordings, videos, computer programs, cable television signals, books, and other medium is an enormous problem throughout the world.

In this second case we must set the boundaries and intelligently and reasonably negotiate legislation that protects Honduran interests rather than something that just benefits the United States. Legislation on intellectual property is more than necessary in Honduras because many local authors will be guaranteed that their rights will be recognized.

Many violations of copyright laws are committed in Honduras. The feasibility study to build a company, for instance, is mercilessly stolen, and there must be regulations to avoid such situations.

These are the points we must calmly and judiciously consider in order to decide when pressure is positive or when it constitutes an attack on national sovereignty.

The United States, in its change of policy toward Honduras in the post-cold war era, has some interesting points, particularly those referring to the environmental protection, reduction of military spending, and respect and promotion of human rights.

Nicaragua

BCIE Grants Loan for Customs, Immigration Infrastructure

PA1305032793 Managua Radio Nicaragua Network in Spanish 1100 GMT 12 May 93

[Text] Government officials announced on 11 May that the Central American Economic Integration Bank [BCIE] has granted Nicaragua a $14.003 million [figure as heard] credit to improve customs and immigration infrastructure. The report states that the credit has a 15 year term with a five year grace period and is to be repaid at a preferential interest rate of 7.31 percent annually. This credit is intended to outfit customs checkpoints with computers to expedite service.

Finance Ministry officials said BCIE financing will allow customs and immigration offices to offer a highly efficient service and do away with current cumbersome systems.

U.S. Aid Through Private Banks Viewed

PA1305041193 Managua Radio Corporacion in Spanish 2200 GMT 11 May 93

[Station commentary by Jose Castillo Oseco]

[Text] Who can understand the Democrats in the United States? They are so unpredictable. Now a congressman belonging to that party is criticizing the Clinton administration for the conditions it has set for the Nicaraguan Government to continue receiving U.S. aid. As it now stands, for the Clinton administration to disburse the funds the money must be channeled through private banks and business organizations belonging to the Higher Council of Private Enterprise [Cosep]. That bothered Congressman Lee Hamilton, who said the aid should be handed to the Sandinists and managed by government banks and other business organizations such as the National Union of Farmers and Cattlemen [UNAG]. It is the same UNAG that is now claiming it is unable to pay its debt to the government banks because last winter was bad and led them to apply the provisions of the Profit and Loss Chapter.

So, Lee Hamilton seeks to continue doing favors for the Sandinists without caring if the country progresses or if it remains in its current stagnant state indefinitely. Hamilton maliciously says the Clinton administration's attitude contributes to polarization. That ridiculous statement shows his complete ignorance of the real situation in Nicaragua. Again a few U.S. congressmen catch the wrong train and arrive late. It is the other way around, Mr. Hamilton. Polarization in Nicaragua came when the aid, the force, the government's favors went to benefit the Sandinists, who, right after their overwhelming defeat in the election, found themselves strengthened to the extent that they are now cogoverning the country.

The Clinton administration's way is the right way. For the money to be well managed it must come through the vaults of private banks and corporations that carried the burden of making the country produce for decades. If the money is not controlled, it will go back into the hands of those who are begging for their debts to be restructured or even condoned, which in itself is a never-ending story, and whose leaders ride around in late model vehicles while they owe every Tom, Dick, and Harry.

We must also remember that no one gives without expecting something in return. The money the U.S. Administrations have designated for our country comes out of the pockets of the American taxpayer. That money must not fall into the hands of the inept who know only how to spend it, not how to multiply it. As Lee Hamilton carries out his policy against his own government, not to benefit the Nicaraguan people but to channel water to his own mill, others are saying that the first phase of the dialogue between political and social groups in Nicaragua is a success.

According to news reports, the Sandinists presented a plan to overcome the nation's crisis. It may work, as they and they alone are behind the failures that have engulfed the country. Daniel Ortega, with his customary posture and his broken speech, calmly asked for all sectors to respect the points on which there is agreement as determined by the government and to keep talking about the points on which we do not agree. One might think that such a statement is made with the best of intentions and sincere loyalty. All we have to do is review our recent history to see if we can possibly find one single case in which the Sandinists, especially Daniel Ortega when he held the reins, were capable of fulfilling their promises. One can only stretch his luck so far.

The Sandinists have abused their good luck and especially their weapons so much that they thought the end would never come. Now that things have changed and they realize the donor countries are not willing to continue lining their pockets, they have suddenly repented. They declare their own guilt while pompously stating for overseas consumption that they are calling to order those who have always claimed to observe order, those who have always demanded that the country be governed by a state of law in which transgressors are punished.

U.S. aid should not only be limited to the private banks and Cosep. The private property laws must be promulgated and implemented and the pinata-like giveaway property returned. That would fulfill promises and do justice to those who were deprived of their properties, which are in the hands of inefficient and shameless persons today.

We must make this country produce, and that will only be done when the legitimate owners have what they have worked for and earned with great effort.

Argentina

Menem Receives British Businessmen Interested in Investing

PY1205230993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1511 GMT 12 May 93

[Text] Buenos Aires, 12 May (NA)—President Carlos Menem today received a delegation of British businessmen in his office in Casa Rosada. The businessmen, who were accompanied by British Ambassador Humphrey Maud, expressed their satisfaction at "the economic progress attained by Argentina in the past few years."

The meeting was attended by businessmen Lord Peter Walker, Barry Lepley, David Wild, Russell Herbert, and Paul Mirsky, who intend to invest in mining and gas. Argentine Economic Secretary Carlos Sanchez and Foreign Ministry Bilateral Affairs Director Mario Quadri Castillo also attended the meeting.

As he spoke with the media in the situation room after the meeting, Lord Peter Walker announced that British companies will make "considerable investments" in the next few months in Argentina.

He also said Argentine companies "will be very active at the international level," and "in name of the British Government" he said they "will seek to strengthen ties as much as possible."

When asked why Argentina and the United Kingdom only established talks to discuss trade issues and not sovereignty over the Malvinas, he said "the two governments have understandably recognized that there is a basic difference of opinions."

He added that he "perfectly well" understands that "the Argentine people acknowledge their sovereignty right over the Malvinas Islands as a historical right, and that this opinion has great strength in this country."

"I also hope that the Argentine people will understand that when a country has a parliamentarian democracy for many years it cannot make a decision ignoring the wishes of the inhabitants of the islands for which it has been responsible since 1833," Walker added.

Lord Walker said the two governments "were right to decide that despite their basic difference of opinions there is no reason to change the normal trade relations between the two countries."

He said he hopes that in the future "agreements on fishing and perhaps joint ventures to exploit oil and gas in the sea will be reached, to dissipate the problems and differences in this manner."

Chilean Airline To Drop Argentine Stopovers to Falklands

PY1205231593 Buenos Aires BUENOS AIRES HERALD in English 12 May 93 pp 1, 11

[Text] (NA)—The Chilean Airline DAP said yesterday it was cancelling its plans to make stopovers in Argentina flights between Punta Arenas, Chile, and the Malvinas Islands.

The announcement was made after airline officials became more attuned to "the lack of political links" between the Argentine government and the administration of the British-controlled Islands.

Last week President Carlos Menem gave the airlines permission to make regular stops in two Argentine ports on its way to Puerto Argentino, the capital of the Islands. The flight would have been the first direct air-link between Argentina and the Islands since the Malvinas War in 1982.

The local Malvinas Islands government refuses to allow any Argentine citizen to visit the isles or to come within a hundred nautical miles of it.

Malvinas Representative Suki Cameron said her government would prohibit planes to land in Puerto Argentino that had taken off from Argentine soil.

British Deputy Foreign Minister Douglas Hurd said it was up to the local Islands government to decide its policy on tourist and business air traffic. "It is not a matter the British government can impose on them," he said.

DAP President Andres Pivtevich said, "The authorization does not change our flight plans at all; it just allows us to make it regular," he said, adding that the company hopes to make a direct weekly flight between the islands and Punta Arenas at a roundtrip rate of 800 dollars.

CNEA Head: Tlatelolco Treaty To Be Signed This Year

PY1205230293 Buenos Aires TELAM in Spanish 2219 GMT 11 May 93

[Text] Buenos Aires, 11 May (TELAM)—Manuel Mondino, National Commission for Atomic Energy [CNEA] president, said today that the Tlatelolco Treaty for Latin American de-nuclearization will be signed and ratified by all countries of the region before the end of the year.

Mondino said that the CNEA is being reorganized, adding that "privatization is not a good word" to describe it.

Commenting on a news conference at the Common Market of the South, Mercosur, International Fair, Mondino said that the CNEA has "enormous technological value for the country."

He added that he may "oppose those who plan to erode the CNEA's prestige by taking over electrical energy production."

He said emphatically: "We will not allow this to happen," adding however, that the government "should be in charge of everything."

He stated: "The Peronist government is responsible for the country's transformation and it must do whatever is necessary to overcome the decadence" of the national scientific and technological structures.

"We want the CNEA to become an effective and efficient state- owned corporation," said Mondino, whose position depends directly on the president of the Republic.

He confirmed the official plans to transform the CNEA into a holding comprised of four enterprises operating in the fields of energy production, radioisotopes production, fuel cycle, and high technology services for the industry.

"Other activities—international relations, administrative management, and research and techniques development—will remain in the hands of central CNEA, the size of which will be reduced," Mondino added.

Even though Mondino expected that the executive branch decree to start this project through a selective sale of a small number of shares to private businessmen would be promulgated by the end of 1992, so far it has not. This could be due to the government's indecision over definite aspects of the operation.

Referring to the Tlatelolco Treaty, which Argentina has refused to ratify for 25 years, Mondino recalled that Argentina, Brazil, and Chile have recently proposed amendments that have been accepted by the other signatories. Each country's congress must now ratify the treaty before it is fully implemented.

"The treaty will have been signed by all Latin American countries before the end of this year," said Mondino. Defending this new aspect of the Argentine nuclear policy, he said that it will give the rest of the world "guarantees over the peaceful use of nuclear energy in the region."

At the end of March, the Argentine Senate unanimously approved the bill on the thorough implementation of the Tlatelolco Treaty, which is now awaiting the Chamber of Deputies' definitive approval.

Mondino did not recognize the frustrated nuclear [words indistinct] shipment worth $22 million to Iran, which was canceled at the beginning of 1992 as a result of an Argentine Government political decision. He added that this caused the Applied Research Institute [Invap] losses that "are being reabsorbed."

"We are still seeking alternative solutions, but none has been found (so far)," Mondino said. He revealed, however, that the Invap plans to build a nuclear medicine manufacturing plant in Cuba for $6 million are still in effect.

Nine months ago (a state-owned) company linked to the CNEA and the Rio Negro Province agreed to sell Egypt a 22-megawatt reactor for $80 million, which resurfaced [word indistinct] nuclear technology exports.

Nonetheless, no agreement for complementary activities in this field has been reached with the U.S. General Atomic [name as received], although a memorandum of understanding for the creation of joint ventures between companies of the two countries was signed in March 1992.

This agreement was seen as a sort of compensation for canceling the deal with Iran. Apparently, the U.S. State Department exerted special pressure in this regard at a time when U.S. support for Argentine inclusion in the Brady Plan was needed.

The sale of nuclear technology, as in the case of Egypt—which was facilitated by President Carlos Menem's visit to this country—must be supported by ad hoc permission. Decree 603/92 on sensitive exports, which was approved after the frustrated shipment to Iran, foresees this sort of permission.

Paraguayan Candidate Wasmosy Interviewed

PY1205192793 Buenos Aires CLARIN in Spanish 11 May 93 p 30

[Interview with Paraguayan "virtual President-elect" Juan Carlos Wasmosy by CLARIN "special correspondent" Walter Curia on 10 May in Asuncion, Paraguay; copyrighted by CLARIN]

[Text] Answering a question that will be asked many more times in the next few days, Juan Carlos Wasmosy, the virtual president-elect of the ruling Colorado Party, said: "I will be his next commander in chief and I can categorically assert that [1st Army Corps Commander] General Lino Oviedo will continue in the Paraguayan Armed Forces.

Wasmosy also said that former dictator Alfredo Stroessner, who lives in exile, may return to the country whenever he wishes.

Wasmosy, a tycoon who amassed his fortune during the 34 years of the military dictatorship, said: "Stroessner may return today if he so wishes. He explained, however, that "if he has a problem with the courts, that will be his problem."

Wasmosy will, on 15 August, replace the current chief of state, General Andres Rodriguez. He held a very cordial but brief meeting with the press just a few hours after the private festivities, which lasted until just before dawn, ended at his residence in the outskirts of Asuncion.

He told CLARIN: "General Alfredo Stroessner was a caudillo. No one can describe as incompetent anyone who was in power for 35 years."

[Curia] The first political act following the elections occurred at 0040 when Gen. Lino Oviedo delivered a message to the country over the government network.

[Wasmosy] As I have said many times, what Gen. Oviedo said in private 15 days ago was the result of offenses by the opposition. Oviedo's message was indeed the first political act of the day but in this message he reasserted what he had personally told me: That he would respect whomever was elected. I trusted him and he has honored his word.

[Curia] Why do the Armed Forces impose themselves on society and why did they engage in political activities when the results were still undefined?

[Wasmosy] It would be ridiculous to deny the Armed Forces' preeminence in Paraguay. It is also obvious that the Armed Forces are the ones which have best adapted to change. This country never dreamed of sending two generals—none less than the army commander and the chief of police—to court, and of having them replaced, as it happened during this administration. I tell skeptics: What better proof do you want that the Armed Forces are adapting?

[Curia] How can a party that backed a dictatorship for almost four decades still remain in power in Paraguay?

[Wasmosy] This is the best evidence that this is a party of the people. The Colorado Party did not foster the dictatorship. What we witnessed in our history is the appearance of a caudillo. I do not believe an incompetent person could have ruled the country for 35 years as president, commander in chief of the Armed Forces, and as Colorado party honorary chairman. We are now in another stage of political activity.

[Curia] The Colorado Party is beginning a new stage, one to strengthen the institutions. How will this be done? Like the Institutional Revolutionary Party [PRI] in Mexico?

[Wasmosy] The party is legitimizing and legalizing the supremacy it has always enjoyed. You have witnessed the election process. I do not believe there is any similarity with the PRI because the Colorado Party is a nationalist, agrarian party. It was born in the resistance that surged when Paraguay was ruled by the Argentines and Brazilians after the [1860-1865] Triple Alliance War. The Colorado Party has different experience [than that of the PRI].

[Curia] It is common for new administrations to renew the military leadership. Will you remove Gen. Oviedo?

[Wasmosy] In principle, I am informing you that I will be the commander in chief. Jointly with the military, we will study readjustments that should be made to the military structure. I can categorically assert that Gen. Oviedo will continue in the Armed Forces.

[Curia] The Paraguayan election is the first of a series of presidential elections in South America. What will be the impact on the region of installing a civilian—a former integration minister—as president of Paraguay?

[Wasmosy] I am quite aware of the integration issue. To implement all treaties we need political will and noble objectives, and I have both. The integration agreement needs supranational institutions to legalize these integration ties and other institutions to oversee these supranational institutions. It is very difficult to achieve integration if we do not coordinate macro- economic policies. It took Europe 40 years to achieve this but we can do it in only five years if we are determined to do so.

[Curia] Why are there still no official election results?

[Wasmosy] Fraud charges were raised by the opposition. The elections were completely open. The Colorado Party, which enjoys overwhelming support, showed that it does not need fraud to continue in power. We were not used to elections. We are not the United States or Argentina. The only free elections we have held were the municipal elections and the ones held to elect delegates to the constitutional assembly. As the OAS secretary general explained, these were the best so far.

[Curia] What will be your priority until 15 August when you are scheduled to assume power?

[Wasmosy] We will strive to achieve unity. In principle, we want to do away with small factions within the Colorado Party, which are common after internal party primaries. Later, we want to seek national unity and to define the strategy and objective of a new country.

[Curia] Are you talking about a national unity government?

[Wasmosy] We are obviously the majority. We will respect the minorities but in a democracy the majority rules.

[Curia] Do you consider yourself the protagonist in a significant moment in Paraguayan history?

[Wasmosy] I believe I have done a lot for my country: as a student leader, as a businessman, and as a cabinet member. I believe that, as president, I can do a lot for my country.

[Curia] Will Paraguay leave its dark political history behind?

[Wasmosy] I pray that future officials will always be elected through democratic means.

Bolivia

Poll Indicates Sanchez de Losada Leads in Presidential Race

PY1005142793 La Paz Radio Fides Network in Spanish 1100 GMT 10 May 93

[Text] The third lap of the 1993-97 presidential grand prix was held yesterday. There are still four laps remaining; the final one will take place on 6 June, when the Bolivian people will wave the checkered flag.

Following are the third lap's general standings of the first five presidential tickets—of the 14 tickets participating in the race.

First place is occupied by [Nationalist Revolutionary Movement presidential candidate] Gonzalo Sanchez de Losada, with 69 points. He gained another point during the third lap. Second place is occupied by [Patriotic Agreement presidential candidate General] Hugo Banzer Suarez, with 62 points. He gained three points. Third place is occupied by [Solidarity Civic Union presidential candidate] Max Fernandez Rojas, with 61 points. He also gained three points. Fourth place is occupied by [Conscience of the Fatherland presidential candidate] Carlos Palenque Aviles, with 57 points. He gained two points. Fifth place is occupied by [Free Bolivia Movement presidential candidate] Antonio Aranibar Quiroga with 54 points. He also gained two points.

Brazil

Franco Says Finance Minister 'Will Remain' in Office

PY1205202193 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 12 May 93

[Text] President Itamar Franco said this morning that [Finance] Minister Eliseu Resende will remain in his position. Here is Alexandre Garcia's live report from Brasilia:

[Garcia] At about 1200 President Franco's press secretary, Francisco Baker, said that in view of press rumors that Minister Erundina [secretary of federal administration] had conditioned her staying in the government on Minister Resende's dismissal, President Franco had asked Civilian Household Chief Henrique Hargreaves to ask Minister Erundina whether she had said this, because Minister Resende will remain in his position.

At 1220 Minister Hargreaves phoned Minister Erundina; she answered that she had never said anything like that to the press.

As the newspapers also state that Labor Minister Walter Barelli had conditioned his staying in the government on Minister Resende's dismissal, I asked Minister Barelli whether this was true. Minister Barelli said he had made no such remark, and that it was mere speculation. He added that if Minister Eliseu Resende's explanation had satisfied President Franco, he personally had no reason to doubt the president's position.

A short while ago I spoke to President Itamar Franco. He confirmed Minister Erundina's answer, and said that she had denied making Minister Resende's dismissal a condition for her staying in the government. I asked President Franco about his analysis of the so-called Peru Operation involving the Odebrecht Company. President Franco said that in examining the operation he was not shedding doubts on Minister Eliseu Resende. He added that he is sending the operation's details to the Senate to be examined.

President Franco also said that if any minister is making the finance minister's dismissal a condition for their continued presence in government they will have to leave, as Minister Resende will remain in his position.

Foreign Minister Discusses Pending Patents Law in U.S.

PY1205140793 Rio de Janeiro O GLOBO in Portuguese 11 May 93 p 16

[Article by correspondent Jose Meirelles Passos]

[Text] Washington—Brazilian Foreign Minister Fernando Henrique Cardoso, who held a meeting yesterday with U.S. Trade Representative Mickey Kantor, said upon leaving the meeting that 85 percent of the conflict between Brazil and the United States over the new Brazilian patents law has been resolved.

He added: Only some minor issues remain to be solved.

According to U.S. sources, however, that was not enough to remove the threat of commercial retaliation against Brazil. Kantor would like to see those "minor issues" resolved before the approval of the law in the Senate.

An official told O GLOBO: The way the law is written, the situation is basically the same. Officials changed minor parts without touching some points which we consider essential.

Cardoso made a proposal to Kantor that the issue not be considered in a collective manner. He said that if any U.S. firm is hurt by the current law, Brazil would be willing to discuss that issue in particular.

I am convinced the law is acceptable, said Cardoso.

Kantor said there is still no progress in four points: compulsory licensing, parallel importation, pipeline [preceding word in English] (recognition of previously registered patents), and duration of patents. He believes that as these issues were not considered in the legislation they will not be at the front, and said that his country would not accept their not being at that level.

Despite giving an optimistic version of the meeting, Cardoso hinted that it would be difficult to avoid reprisals as Kantor had made it clear that he was

determined not to give in. Cardoso said the approval of the patents law is seen by Brazil as the beginning of talks. He recalled that when Kantor said farewell he indicated he was open to continuing the talks.

U.S. Government officials also said they are keeping the doors open, waiting for changes in the law, although they predict this will not occur. As if trying to prepare someone for bad news, Cardoso said:

"I do not know what Kantor will do. I understand he will enforce his law. But we must remain calm. We need to see the range of the U.S. Government study in this regard, and what the punishment will be. And we cannot allow this issue to become an obstacle in Brazilian-U.S. relations. This should be seen as a minor problem."

Technical, Trade Cooperation Agreement Signed With Poland

PY1205202493 Rio de Janeiro O GLOBO in Portuguese 11 May 93 p 16

[Text] Brasilia—Brazil and Poland signed a technical and commercial cooperation agreement on 10 May that seeks to intensify bilateral relations. The agreement was the result of a meeting between Brazilian Finance Minister Eliseu Resende and Andrzej Arendarski, the Polish foreign economic relations minister. This was decided after it was agreed to reschedule Poland's $2.3 billion debt with Brazil. This will now be paid by the year 2009.

Brazil, on the other hand, owes Poland $96.2 billion [as published]. This will be paid off through exports for which the Central Bank will issue letters of credit.

As a result of the settlement of the debt in March this year, Polish foreign-debt notes—known as "polonetas"—have been discarded thus allowing bilateral trade to expand. Iron ore and soybean bran are among the Brazilian products to be sent to Poland. Among the products Poland will export to Brazil are ships, planes, and equipment to build gas pipelines.

Arendarski said that Eliseu was interested in the Polish Government's program to fight inflation which is based on high interest rates, control on money issuance, austere expenses, and general price freedom. Last year inflation in Poland stood at 42 percent and it has reached 32 percent so far this year.

Separatist Leader's Book Discloses Guidelines

PY1205230793 Rio de Janeiro O GLOBO in Portuguese 9 May 93 p 3

[Article by Ascanio Seleme]

[Text] Santa Cruz do Sul—Irton Marx is delirious. Since his separatist movement became known nationwide he has been trying to create a situation that will trigger harsher measures against him and his ideology. In a chat with O GLOBO he told us clearly how far he could go. "They say I am violating the Brazilian Constitution. Well, I am going to tear up the Brazilian Constitution. Our movement simply does not acknowledge this Constitution."

Irton Marx's movement would have gone unnoticed if it had not been for President Itamar Franco's criticisms and Justice Minister Mauricio Correa's repression. Although he asserts that he has the support of more than 800 municipal commissions throughout the South, Marx says that Brasilia's concern has merely helped to disseminate his ideology.

He added: "The more Brasilia says the more we grow."

The "Pampa Region Federal Republic" [Republica Federal do Pampa] movement surfaced in 1990 in Santa Cruz do Sul, 155 km from Porto Alegre. It was started by Irton Marx, who did not reveal the names of his allies or municipal delegates "in an effort to protect them." The first step was the publication of a 224-page book with a list of generic and absurd ideas on the social and economic behavior of the new nation of the south.

The book entitled "A New Country is Surfacing: Southern Pampas Region Republic" by Irton Marx sold out. Marx said that all 15,000 issues in three editions were sold. His adversaries, the counter-separatists of Santa Cruz, upheld that only one edition of 1,000 issues was published. It does not really matter if it was 15,000 or 1,000 issues. The germ is spreading, creating an audience for the leader of the Rio Grande do Sul movement.

Last Friday, 7 May, when Federal Police agents seized propaganda material at Marx' home, some 100 people watched the police action in silence only to applaud him when made a speech and sadly stood in front of the flag of his republic that was confiscated together with T-shirts and documents.

The people who support the separatist leader do not really understand his ideology. They are ordinary people who listen and repeat the movement's magic words: "We will help the people in northeastern Brazil who really only want to celebrate Carnival." Although he is followed mainly by humble people, Irton Marx chooses to compare himself with historic personalities such as Darwin, Tiradentes, and Jesus Christ.

"I feel I am living in a time of great changes. Times like those experienced by Tiradentes and Jesus Christ, or by Darwin when he unveiled the mystery of the origin of the species. I am very proud of myself. I did not intend to become a hero but I do admit that my name already has a place in the history of this continent.

Irton Marx has made news within and even beyond this continent. Last week he granted interviews to media representatives of Uruguay, Argentina, Chile, and Paraguay. He also spoke with representatives of the New York Times and the German press agency DPA.

The country Iron Marx has in mind is a mixture of Nazi Germany and Stalin's Soviet Union. The "Pampa Region Federal Republic," from all aspects, will be an authoritarian regime in which citizens will live under the states' strict surveillance. In his book "A New Country is Surfacing: Southern Pampas Region Republic," published in 1990, Marx lists the basic rules of the country of his dreams or fantasies.

According to Irton Marx' ideology, the families of the Pampas region will live in "enviable harmony and will have to walk on the streets hand-in-hand as a sign of unity." Marx also establishes the following principles that will rule a family life: "Heads of families will stop lying, drinking too much, deceiving, laughing, or making fools of others. They will not be able to confine their wives to their homes. Our youths will have to adopt good habits, stop thinking only about sex, evil, and drugs."

According to Marx' ideology, the "Pampa Region Republic" will from the beginning manipulate communications. "The correct use of the language and good diction" will be the rules for radio broadcasting in Marx's country.

In the economic field, according to the "ideological program," the citizens of the Pampa will only be allowed to own one property. Marx states that "all houses being rented to third parties will be confiscated and administered by the community." New houses, according to the program, will be no larger than 300 square meters of constructed area. The same goes for commercial and industrial premises.

As for the market economy, Irton Marx has determined the "elimination of rich people or groups." Under his program, the Pampa Bank, Inc, will be created and banks that are 100 percent private will be eliminated." The state will be majority stockholders of banks and financial enterprises which will function as "cooperatives." The new country will establish ceilings for interest rates.

Not even animals are spared in the regulations of the "Pampas Region Republic." Chapter 26 of Marx' book refers to the care of animals ("inferior creatures that are evolving"). The book says: "No animal of the Pampa region will be killed unjustifiably." Marx' statute also provides for the mating of cats and dogs: "Leaving bitches loose is prohibited. They must be kept away from other animals of their species unless specifically for breeding purposes."

* Bills Proposing Creation of New States Viewed

93SM0240A Sao Paulo VISAO in Portuguese 7 Apr 93 pp 14-17

[Article: "They Want to Change Brazil," by Joao Sampaio]

[Text] Creating a new state is no easy job; it involves geopolitical and geo-economic studies. But it is becoming fashionable in the National Congress. At least 10 legislative proposals for plebiscites to be held to create new states and territories are being considered in the Chamber of Deputies.

Most of the initiatives come from deputies from the northern and west central states who dream of having the "honor" of adding more stars to the Brazilian flag. This is the case, for example, with Mato Grosso Deputy Joao Teixeira (PFL) [Liberal Front Party], who wanted to create the state of Tapajos by detaching about 40 municipalities from Mato Grosso State. When he discovered that his colleague, Para Deputy Hilario Coimbra (PTB) [Brazilian Labor Party] had gotten ahead of him by proposing the creation of another Tapajos State, carved out of Amazonas, Teixeira did not hesitate: he simply changed the name of the new state in his bill to Mato Grosso do Norte and forged ahead.

Teixeira's plan is languishing in committee. Meanwhile, on Wednesday 31 March, the plenary rejected by 177 votes to 90 a proposal by Parana Deputy Edi Siliprandi (PDT) [Democratic Labor Party] that would have created the state of Iguacu. Reason: the deputy had voted against impeachment of Collor. On the other hand, the Tapajos bill still has a very good chance, since the PT [Workers Party] has been receptive to lobbying by two Para deputies, Walmir Ganzer and Paulo Rocha.

Interest

In the North, the interest in creating new states is so strong that a detailed study of the pending proposals will be needed to avoid duplications of names, maneuvers prejudicial to local needs, and even to consider issues of national security.

If all the legal i's are dotted and t's crossed, and the procedural steps are completed, Brazil's flag would soon have at least eight new stars. On the agenda for consideration by specific committees are proposals for Carajas, formed by municipalities in southern Para state; Aripuana, which would appropriate parts of Rondonia and Mato Grosso; Maranhao do Sul, which would split Maranhao in half; Triangulo, laid out on land from the rich region of the Minas Gerais triangle; Iguacu, which would encompass the lands of the Contestado, absorbing valuable slices of the states of Parana and Santa Catarina; and, to complete the set, two more portions would be taken from Amazonas to create the territories of Alto Rio Negro and Alto Solimoes.

Office Warfare

The maneuvers to try to convince the deputies that there is a need to redraw the map of Brazil started with a command known as the Parliamentary Front for Territorial Redivision, whose efforts are full of complicated strategies. One miscalculation and the Front's plans will turn sour. That was what happened with the first attempt to create the state of Aripuana. The proposal might already have been approved, but it was introduced on the floor of the Chamber without advance notice to the

party leaders. The chairman's decision took the proposal's author, Rondonia Deputy Reditario Cassol (PTB), by surprise. While he was trying to round up support, a vote was taken and his proposal was defeated.

Another proposal with a long history would create the state of Triangulo. It was initially suggested to the Constituent Assembly by Deputy Chico Humberto. Rejected on that occasion (the Constituent Assembly approved only the creation of Tocantins, torn off from Goias), the proposal returned to Congress thanks to the efforts of Minas Gerais Deputy Zaire Resende (PMDB) [Brazilian Democratic Movement Party], backed by the so-called "conservative group" of the Minas delegation.

Cidade Maravilhosa

The proposal for change that has attracted the most attention comes from Deputies Sergio Cury and Jose Carlos Coutinho (both of the Rio de Janeiro PDT) who, nostalgic for the "golden years," suggest "divorcing" Rio de Janeiro and Guanabara, the name the city of Rio de Janeiro was given in 1960 when it ceased to be the capital of Brazil. Legislators say this could correct an historical error. They even invoke Machado de Assis who, in one of the chronicles he wrote at the end of the last century said: "We are all *fluminenses* and this city (Rio) will pass from being the capital of itself to the capital of a unique and great State, to be called Guanabara."

Machado de Assis's prophecy did not come true until 21 April 1960, and then it did not last long. In 1975, by discretionary act, then-president of Brazil, General Ernesto Geisel, ordered the merger of the states of Rio de Janeiro and Guanabara. The old city-state became the capital of a new unit in the Federation. Not surprisingly, at the time, reasons of "national security" prevailed over the interests of the people. Geisel made the decision on his own, without holding the traditional plebiscite, exactly as had occurred with the first separation between the state and city of Rio de Janeiro in 1836, accomplished by an addendum to the Constitution of the Empire. Then, it was the wishes of Emperor Dom Pedro II that prevailed; he converted Rio into a "neutral municipality" because it housed the capital of the Empire. The decision was upheld by the republican constitutions, which merely changed the nomenclature to "federal district."

The majority of the members of the Rio state delegation in the Congress are willing to support the proposal to make this latest separation between Rio de Janeiro and Guanabara official. But there are some dissenters. Deputy Sandra Cavalcanti (PFL-RJ) gets irritated when people raise the subject. "I did not endorse Deputy Sergio Cury's proposal; I think we have more important things to deal with and I reserve the right to study this matter later," was all she would say.

Weak Argument

State Deputy Adroaldo Peixoto, chairman of the Rio de Janeiro Legislative Assembly's Committee on Municipal Affairs and Urban Development and a card-carrying *pedetista*, is an fervent advocate of the idea. He points to the decline of the interior parts of the state as "one of the most negative results of the merger," which he says was yet another arbitrary act of the military dictatorship.

In contrast to Peixoto, two of his colleagues whose constituencies are in the interior condemn Sergio Cury's plan. "I am completely against it; I think it is absurd," said Rose de Souza (PT), from Nova Iguacu. She thinks the loss of economic power is the result of failed government policies and has nothing to do with geographical problems. Nor does the PMDB's leader in the Rio Assembly, Deputy Delio Leal, favor the breakup. He calls Sergio Cury's proposal "silly and naive, since historically the merger is a fait accompli."

Support for Carajas

The creation of the state of Carajas, proposed by Para Deputy Giovanii Queiroz (PDT), has the support of influential businessmen in the region, which is rich in mineral raw materials: iron, manganese, copper, and gold. But if on the one hand these resources would enable Carajas to be self-supporting and achieve political and economic viability quickly, the same is not true of other proposals that appear to be dead on arrival.

"If the deputies themselves are not careful, the only states whose borders will stay the same would be Sao Paulo and Rio Grande do Sul," said legislative advisor Luiz Guimaraes Couto. He recalls that the "anthropophagous frenzy" displayed by the legislators once tried to add to the flag stars with all sorts of names, such as Jurua, Sao Francisco, Santa Cruz, Araguatins, and Meio-Oeste, "all of them regions whose economic development falls far short of their potential." He pointed out that, luckily for the Brazilians, most of those proposals were never actually submitted. On the other hand, the proposal by Amazonas Deputy Eduardo Braga (PDC) [Christian Democratic Party] to create the territories of Alto Solimoes and Alto Rio Negro, both detached from Amazonas State, is still under consideration.

Tapajos and Iguacu

Of all such proposals under consideration in the Congress, at least two are about ready to be sent to the floor, since they received unanimous support from the Chamber's 59-member Committee on the Constitution, Justice, and Editing. These would create the state of Tapajos, consisting of a portion of Para State—proposed by Deputy Hilario Coimbra (PTB-PA)—and the state of Iguacu, the latter uniting western Santa Catarina and western and southwestern Parana, as urged by Edi Siliprandi (PDT-PR).

The establishment of Tapajos has been accepted without controversy, even by politicians from Amazonas and

Para states, since it is a sparsely populated area in the middle of the Amazon region. The only arguments in favor of the plan are political: it would make its author famous and get him elected governor of the new unit—or at least guarantee him re-election as deputy for the rest of his life.

With Iguacu, the issues are different. The famous region known as the "Contestado," [disputed] is extremely rich, and the battle to emancipate it is heating up both in Parana and in Santa Catarina.

Parana Indivisible

Calling the creation of the new state "an unacceptable mutilation," the president of the Legislative Assembly of Parana, Deputy Anibal Khury, has launched the "Parana Indivisible" campaign in protest. In Santa Catarina, politicians are likewise unhappy. But except in the areas in dispute, the creation of the state of Iguacu has not yet aroused the public. However, creation of Iguacu would deal quite a blow to the budgets of Parana and Santa Catarina. It would take away 22.2 percent of Parana's territory and 20 percent of the state GDP. Santa Catarina would lose 25.4 percent of its territory and 27 percent of its GDP. Governors Roberto Requiao and Vilson Kleinubing have already joined the presidents of their legislative assemblies to establish a committee, whose members also include the state prosecutors, to react to the loss.

The biggest shock, however, awaits residents of Santa Catarina. A preliminary study by the Planning Secretariat concluded that if Iguacu is approved, Santa Catarina will lose 13 percent of its ICMS [Merchandise and Service Distribution Tax] revenues and about 10 percent of the proceeds from all other state taxes. Worse still, it would be left without the country's four largest meatpackers: Sadia (plants in Concordia and Chapeco); Perdigao (in Vinhedo and Joacaba); Chapeco (in Chapeco) and Seara (in Seara); besides the Maravilha Central Cooperative. Together, these companies represent 16.5 percent of the state's exports and more than 30 percent of the ICMS revenues generated by the sector. A study by the Federal University of Santa Maria (Rio Grande do Sul) confirms that the region occupied by the new state would be the site of the largest meat-packing industry in South America. Moreover, it would take the land on which 60 percent of the wheat and 55 percent of the soybeans in Parana is planted.

ADESG Approves

The enemies in the battle for Iguacu became even more worried when a study by the Association of War College Graduates (ADESG) was published last November. It concluded that redrawing the boundaries of some regions of Brazil "makes good sense." Iguacu is among the regions mentioned in the study as being viable as a state, since its Itaipu hydroelectric plant produces almost half the country's electricity. It has the largest herd of pigs in Brazil; accounts for the highest volume of poultry exports; and ranks third in hotel capacity and second as a tourist attraction—because of the famous waterfalls and the shopping in Paraguay. Besides, it is the largest processor of manioc and is located in an area of rich red, fertile soil. In ADESG's opinion, Iguacu would be self-supporting and could be set up at no cost to the rest of the nation.

Also, according to the ADESG study, Iguacu would inherit from its parent states an economy that combines 52.4 percent of the aggregate product from their agriculture with 47.5 percent of their industry and commerce. It would have an area of 69,000 sq km, ("more than double that of Belgium," says the study), and a population estimated at 3.2 million. Furthermore, the 747 km of border it shares with Paraguay and Argentina would strengthen the Mercosur [Common Market of the South].

Mayor Milton Sander, of Chapeco, does not look favorably on the idea of creating the new state of which his city would be part. His biggest concern is how the states' debts will be handled. "We will be left holding one-third of the debts of Parana and Santa Catarina, or about $1 million," he said. Furthermore, Sander notes that in the past 20 years, the West has benefitted greatly by the Santa Catarina government's decision to channel investments in roads, schools, hospitals, and energy toward that region. He warns that many of the region's businessmen who were initially in favor of the dismemberment "changed their minds" after learning how much the undertaking would cost.

Just Politics

While in the affected states the debate splits opinions, and in Congress the authors of the proposals negotiate for support to get their plans enacted, there are legislators who disagree outright with this "emancipationist fury." Jose Genoino (PT-Sao Paulo) is particularly vehement in condemning the separatist wave. "If people start playing around with state boundaries this way, pretty soon we will have 1,000 deputies in the Chamber," he remarked wryly, recalling that each new unit that is born is entitled to three senators and at least eight federal deputies. Genoino observed that the local oligarchies have the greatest interest in creating new states, because they want to gain political clout: "The one who creates a state ends up becoming its governor."

Another PT member, Minas Gerais Deputy Paulo Delgado, went even further. He says that new states or territories must not be created unless there is at least some federal government planning. "Above all, it is vital to plan this country, to decide how many units the Federation should have in order to develop as homogeneously as possible."

Professor Jose William Vesentini, chairman of Political Geography at the University of Sao Paulo, agrees with the legislators. He recalls that redrawing the political map of Brazil is an old habit, originally encouraged by Getulio Vargas, who created the territories of Guapore

(now Rondonia State) and Iguacu (abolished in 1946) in 1930. But the motives, both during the Vargas dictatorship and in the post-1964 military era, were strategic. Those two territories were created to protect border regions. "It is important to note—Vesentini observed—that the holding of plebiscites represents significant progress; states used to be created by orders from above and imposed on those below, as happened with Mato Grosso do Sul and Tocantins."

The USP [University of Sao Paulo] professor charges that: "What is behind this entire game is a desire for "safe" election districts and more jobs for politicians." He recalls that in contrast to other countries, where states were created on the basis of historical tradition, in Brazil the process of creating a political division has been authoritarian. "They divided this country into hereditary captaincies over in Portugal, and only afterward thought about settling people on the land." Vesentini believes that a political rearrangement of Brazil makes sense "only if we are thinking of reinforcing citizenship and federalism. Otherwise, it will always be a demagogic maneuver to form new election strongholds."

[Box pp 16-17]

What the Constitution Says

The Brazilian Constitution provides for the possibility of forming new states by incorporation, subdivision, or dismemberment. Federal Deputy Nelson Jobim (PMDB-Rio Grande do Sul), a jurist who made a study in response to a request from the Iguacu emancipationists, explains that there are five situations under which new states may be established: the merger of two or more, in which all lose their original identity; full incorporation of one state by another, with the first one disappearing; division of one state into two or more parts, with the states losing their identity; or the partial incorporation of one state by another. Lastly, parts of one or more states may be detached to form a new state, with the old states retaining their own identities.

Jobim also explained that it is up to the National Congress to call for a specific plebiscite by issuing a legislative decree passed by the Chamber and the Senate. The population groups directly interested in the change would vote. In the specific case of Iguacu, that interpretation is contested by the legislative assemblies of Parana and Santa Catarina, which want the plebiscite to include the entire population of both states, not just the voters in the municipalities that will be split off. But Jobim believes the Constitution is clear on this point: only after the formation of the new state is approved by a plebiscite will the state legislatures have a say. After that, the Congress will debate the question and vote on the law that creates the new state which, if passed, will go to the President of Brazil for signature.

* IBGE Census Defines Social Inequalities

93SM0238A Sao Paulo VEJA in Portuguese 31 Mar 93 pp 78-81

[Text] If you own the house you live in, have a car and a refrigerator, pay private school tuition for your children, and earn a salary of 34 million cruzeiros a month, congratulations! Either through inheritance or your own efforts, you have reached the top of Brazil's social pyramid, as you can see by looking at the graphic design on this page. There at the summit live millionaires and the truly rich people who have a beach house, an imported car in the garage, and discover a new vacation paradise every year. But that is also where you will find Brazilians who receive 34 million a month but cannot take life so easily. On that income, you have to do a lot of penny-pinching to be able to trade in your car every five years and maybe take your family on a vacation to Miami. Like it or not, this is the peculiar situation that exists in Brazil. This is a country whose middle class is practically at the top of the social pyramid. A Brazilian who earns just under $1,500 a month is a lucky guy, economically speaking.

Imagine, then, what life must be like at the lower steps on the pyramid. On the second level, counting from the top, are university professors and other well-educated professionals. To reach this step you must earn more than 17 million a month—a sum that still will not be enough to send two children to good schools. People on the other steps have it tough in various ways. Do you know who lives on the third floor? Your children's teachers, musicians in the Brazilian Symphony Orchestra, Fire Department officers, and highly skilled factory workers. From there downward are the office boys, domestic workers, bricklayers' helpers, and the great majority of this country's workers—eight out of 10 of them. Five million of these have not yet received the benefits of the Aurea Law [which abolished slavery in 1988] and are light-years from being covered by the CLT [Consolidated Labor Laws]. They work for nothing but food and lodging.

Brazil: Percentage of Occupied Population, By Wage Bracket

Wage Bracket (millions of cruzeiros per month)	Percentage of Occupied Population
34 or more	3.0%
17 to 33.9	5.4%
8.5 to 16.9	11.4%
3.4 to 8.4	26.6%
1.6 to 3.4	20.3%
1.7	24.2%
No monetary wage	8.4%

Source: IBGE 1992 Annual Report

Dividing the Loaves

The pyramid is a portrait of Brazil drawn by the Brazilian Institute of Geography and Statistics (IBGE) and

appears in its 1993 annual report released last week. The pyramid is composed of 62.1 million people, a contingent the IBGE calls the "occupied population," i.e., people over the age of 10 who are working. The IBGE annual report, a hefty statistical research study of more than 1,000 pages, contains other data concerning Brazilian life at the beginning of this decade. It shows not only that Brazil has been unable to solve any of its old problems, but it has been unable to deal with the new issues that have arisen. As has been the case since Abolition, black and mulatto wage-earners earn less than whites do. Women, who now fill 40 percent of the positions in the labor market, still receive significantly lower wages than men do, even when they perform identical functions. For example, Maria da Conceicao Donizete, a 37-year-old Minas Gerais native, an electronics technician, has been working six years for a Belo Horizonte firm that repairs telephones. She still earns 3.5 million cruzeiros, the same as a man who is just getting started in that work. "I earn less because I am a woman, and I feel humiliated," said Conceicao.

Brazil: Comparison Between Wages Paid Men and Women, by Race
(multiples of monthly minimum wage)

Population Group	Men	Women
Total occupied population	4.4	2.8
Whites	6.3	3.6
Blacks	2.6	1.6
Mulattoes	2.9	1.7

Source: IBGE 1992 Annual Report

IBGE depicts a country in gridlock. According to a study by Prof. Jose Pastore, an economist at the University of Sao Paulo, during the 1970's, 80 percent of workers saw their standard of living rise above that of their parents, and 93 percent ended their working lives in a better situation than when they started. In the 1980's, one third of workers had a standard of living equal to that of their parents; the other third had lost ground. "That percentage must be a lot higher today," Pastore said. Between 1960 and 1980, the social stain of poverty shrunk by 30 percent. Now it has started spreading again, so rapidly that by the mid-1990's it may be the same size as it was 30 years ago; the difference is, the population is twice as large. The people who were born on the lower steps of the pyramid and have been unable to climb higher are not the only ones there. The number of people who end up tumbling down to a lower level is also growing every day. "Brazil's cyclical poverty has become chronic poverty," said sociologist Annez Troyano, assistant director of SEADE [State Data Analysis System], a Sao Paulo think tank.

Regression

Geography textbooks teach that the majority of poor countries are likely to continue poor. Once in awhile some Asian Tiger appears on the scene, or a superpower like Germany recovers from a colossal collapse, as after World War II. The reality is, however, that with few exceptions, the countries that are wealthy as we approach the year 2000 are the same ones that were well off at the end of the 19th century. Brazil was a power only in the dreams of the military of 1964, but it stood out among 160 countries as the world's eighth largest economy and broke world records for growth. It was always better than Bolivia, and never nearly as badly off as Uganda. Between 1946 and 1980, it grew at a rate of 7.5 percent a year. Except for Japan, no country has grown as much during this century as Brazil has. It is said that the 1980's were wasted years, during which the country came to a standstill. Unfortunately, this is not true—the IBGE shows that the country actually regressed.

There signs of this regression are both human and numerical. Per capita income in this country was 5.6 percent lower in 1991 than in 1980—which means each person's slice of the pie has shrunk. In order to accommodate within the formal economy all those who reach working age, two million jobs will have to be created every year, but only 950,000 are opening up. And those are low-caliber jobs. "Since companies are not modernizing, the jobs carry low social status and are poorly paid," Professor Pastore said. The impact of these crummy, poorly paid jobs can be confirmed in broad daylight. At most of the intersections in our state capitals, drivers are besieged by clusters of merchants selling chewing gum, screwdrivers, pens, and fruit. This business has become so sophisticated that at some sites, like Sao Paulo's Avenida Brasil, vendors now accept checks post-dated as far as 15 days ahead. Sao Paulo native Valdeir Strapiacci, 26 and the father of three, works there. He earns 5 million a month selling geegaws. He has held a job "on the books" only once, when he worked as a janitor. He left that job and went to work in the traffic-light supermarkets. "I am not going to leave this intersection to go and earn less in some factory," Valdeir said.

The Undernourished Contingent

Traffic-light shopping is not a Brazilian tradition, but a phenomenon of the past decade. A couple going to the movies will be invited to give money to some guy who claims to be the sheriff there. On the way there, they meet children begging for money, and also risk having to step around families who have set up housekeeping on the sidewalk, complete with mattresses, blankets, cooking pots, and a camp stove. On the way home, they will avoid stopping at red lights, and then enter a garage equipped with a security system and a night watchman to protect them from thieves. The IBGE figures portray a theorem of social biology typical of a stagnant country devoid of opportunities. The fewer the people who can amass a significant sum of money in their hands, the larger will be the contingent of the undernourished who

gravitate toward them—to beg for charity or a tip, to offer some useless trinket to be bought out of pity, or even to point a gun.

This perverse abyss has terrible results for everyone. With 150 million inhabitants, Brazil has a consumer market suited for a country of 30 million. This is nothing to sneeze at. It is equivalent to three times the population of Belgium, and six times that of Denmark. Its members frequent shopping centers, sometimes take their kids to Disney World, and get around by car. But they also pay a price for living on the brighter side of the social tragedy. A country with such a huge difference in the distribution of wealth cannot offer the kind of public services that in the developed nations are used by the population as a whole, who enroll their children in free public schools, visit doctors who belong to a state health system, and take subways to work.

The damage the lack of money does to the lives of those who are on the lower steps of the pyramid is at the root of the social fiasco found by the IBGE researchers. The existence of shantytowns once caused an outcry. Not any more. Since practically no decent houses are being built—and those that exist are available only to the first or second levels of the wage pyramid—the shantytown has become the stronghold of the richest of the poor. The poorest of the poor, as evidenced by another visible sign of Brazil's economic torment, must now compete for the spaces under the bridges, or put up shacks alongside the road. After being unemployed for three years in his home town of Lajedo, 180 km from Recife, Pernambuco farmer Geraldo Marques da Silva sold his house and moved to the state capital with his family. But the proceeds from the house were not enough to buy even a shack. The solution was to rent one in the Ilha do Maruim shantytown, for 400,000 cruzeiros a month. "Eventually I will get my own house. I just have to find a decent job," Geraldo said, hopefully. He supports his family doing odd jobs in various parts of Recife.

Brazil: Percentage of Dwelling Units Located in Shantytowns, in Selected State Capitals

City	Percentage
Recife	42.2
Manaus	17.8
Belem	15.1
Fortaleza	13.3
Rio de Janeiro	12.4

Source: IBGE 1992 Annual Report

The lack of money produces other ills. For example, in the vast majority of Brazilian municipalities, there is no longer a shortage of schools. Even so, the illiteracy rate has not fallen below 18 percent. There is no use having all those schools if parents do not have enough money to support the family and their children are forced to spend their days on the streets to help fill the dinner pail. Of a total of 26 million Brazilian children and adolescents, almost 30 percent are in the labor market. Worse still: there are 2.8 million workers between the ages of 10 and 14, recalling the darkest period of the Industrial Revolution. For four years, Sao Paulo native Sergio Claudio da Silva has been washing cars at a gasoline station, for minimum wage. He is 15 years old and works to help his mother Leonora, to whom he brings home 1 million cruzeiros a month. Once a week, Sergio Claudio helps his mother buy crates of lemons at the wholesale market before dawn, so she can sell them at the open-air market. Sergio Claudio started school late; then, four years ago when he was in the second grade, left school once and for all. A month ago he enrolled again, to see if it will work out. "If I can keep at it, I can get a slightly better job," he said.

Brazil: Children and Adolescents in the Labor Force

Total Child/Adolescent Population	26.2 million
Total children/adolescents in labor force	7.2 million
Workers age 10 to 14	2.8 million
Workers age 15 to 17	4.4 million

Source: IBGE 1992 Annual Report

Economics and Politics

One can root for Sergio Claudio da Silva to rescue himself, but the IBGE says that for Brazilians who are a little older, the damage is already done. It found that this country has 10 million workers who have one year or less of schooling. It is hard to believe that even when we return to prosperity it will be possible to build a competitive and robust economy with a labor force that is unprepared to learn to operate more advanced equipment. "You cannot imagine any fate for those people other than the company's janitorial department," Professor Pastore said.

Although the Brazilian disaster is more easily glimpsed through the economy, its origin is political. The country got through the 1980's and entered the 1990's with an inflation rate that had gone crazy and governments that were unable to govern. The economic turmoil put Brazil on the torture wheel of misery, and turbulent political times produced a succession of hapless government officials that caused the disaster to develop very rapidly. Joao Figueiredo coped with the Rio Centro wing of the military apparatus until he ended up in bed with it. The inflation rate was 5 percent a month when he took office and had risen to 12 percent by the end of his administration—a record, at the time. Jose Sarney fought for a five-year term. The inflation rate surged from 12 percent to 84 percent. Fernando Collor tried to build a predatory state, but was impeached. With inflation at 25 percent, Itamar Franco has already spent the first five months of his term trying to begin to govern. Inflation is still at 25 percent. What is happening in this Brazil that was x-rayed by the IBGE is a phenomenon that was described in crystal-clear terms by political scientist Wanderley

Guilherme dos Santos in his book *Razoes da Desordem* [Reasons for the Disorder]. In it, the author explains that a backward country sails into an even greater disaster when its governments "use up a large part of their time trying to create conditions of governability instead of governing. In the meantime, such countries become more impoverished."

* Correa's Warnings Against Separatism Detailed

93SM0241A Sao Paulo GAZETA MERCANTIL in Portuguese 15 Apr 93 p 5

[Article by Brasilia correspondent Claudia Kuck]

[Text] Separatism worries Minister of Justice Mauricio Correa and the military ministers. Correa called a press conference yesterday to denounce the resurgence of a separatist movement in Brazil that includes maneuvers taking place outside this country. The Ministry of the Army, through its Social Communication Center (CCOMSEX), confirmed that the military is monitoring the growth of such movements but that so far nothing has happened to justify developing a plan of action, reporter Judith Mota learned. "The Army is alert to the problem," a CCOMSEX official said.

According to Army information, the largest focal points of separatism have been spotted in Brazil's southern states, especially Rio Grande do Sul, but there are also indications that similar movements are emerging in Sao Paulo.

At the press conference, the justice minister distributed a note entitled "Separatism and False Promises," attacking these conspiracies and comparing them with the situation in Yugoslavia.

Correa refrained from providing more details on the information the government has on the subject. He insisted only that some groups are conspiring, that investigations are going on, and that he is "very alarmed about the separatist movement."

The minister reminded the group that the idea of separatism is tantamount to the crime of sedition, and that the Itamar Franco government "will not allow groups to organize to rupture the unity of the federation, but must combat them within constitutional principles." He admitted that Brazil is experiencing difficulty, and that some states are in better shape than others, "but nothing justifies apostasy. We are going to guarantee the order and integrity of the nation's territory." Correa did not identify the source of the conspiracy, but commented: "The South worries us."

In the note, the justice minister asserted that the territorial, cultural, and linguistic unity of Brazil "is a permanent historical reality." Later he warned that trying to break up this unity "is to betray our identity, our people, and our consciousness, a crime against the constitutional order. In any region there is room for improvement, but they are all Brazilian."

At the press conference, Mauricio Correa briefly summarized the history of the struggles to ensure the integrity of Brazilian soil. He recalled that throughout this country's history "thousands of northeasterners have come down from the Northeast" with this objective, and that the present configuration of the nation's territory is due to "the capabilities of all Brazilians."

"Separatism and False Promises"

Following is the full text of the note distributed at yesterday's press conference by Minister of Justice Mauricio Correa:

Separatism and False Promises. The territorial, cultural, and linguistic unity of Brazil is a permanent historical reality. Brazilian society is a concrete reality that has been consolidated by our collective experience over the centuries, especially the last two.

To break it up, to try to tear it asunder or render it threadbare, is take up a dagger and stab oneself, and all of us, in an insidious and dastardly manner. It is to betray our identity, our people, and our consciousness. Sedition is not only a cultural incongruity and a social and economic injustice; it is a crime against the Brazilian constitutional order.

The very first article of the Federal Constitution contains a basic clause on Brazilian national and political unity: Brazil is formed by the indissoluble union of the states and municipalities and the Federal District.

The indissolubility of the Union of all Brazilians was, therefore, something desired by all and consecrated in the higher Law that governs us. To attack it is tantamount to mortally wounding an inescapable tenet of the very organization of society and the State. It is to betray the Brazilian citizenry, just as it would be betrayal to try to abolish the federation, the direct vote, the separation of powers, and the rights and guarantees. Incidentally, the Union has an obligation to intervene in the states or in the Federal District, as Article 34(I) of the Constitution requires, to maintain the integrity of the nation. Our fundamental law contains this crystal-clear precept to tell us that such integrity must prevail, whatever the circumstances, over preferences, likes and dislikes, tendencies, localized economic development, cultural advantages, demographic densities, literacy rates, agricultural production records, etc.

To respect Brazil and see that it is respected is, therefore, a legal commandment that all must obey (Federal Constitution, Article 50, II) [citation as published]. This marks the boundaries of the freedom of expression that is basically assured by that same Article 50, part IV [citation as published]. Just as no one may hide behind that freedom in order to offend the honor, reputation, or dignity of his fellow man, so no one may do so to defile a sublime reality won by Brazilians through a long struggle: their unity.

To tear Brazil to shreds, dismembering it or confusing it with a Yugoslavia that it never was, and with whose artificiality it can never be compared, as if this country were nothing but a patchwork quilt, is to abuse, delude, lie to, and mock those who died for a free country. It would shatter the identity of the individual Brazilian: secessions and opportunistic separatism dissipate into the bittersweet illusion of magic formulas and false promises "that without the others, all the problems of these or those people could be resolved." A triumph of unthinking egotism and disrespect for the most elementary of rights.

There were many debates in the National Constituent Assembly about carving up the nation's territory into innumerable other federated units. After those debates, and out of their own maturity, the constituents wisely decided to limit themselves to creating only three new units: Tocantins, Amapa, and Roraima—the last two involving merely a conversion from federal territory to state. This is a clear signal of what had already become clear in the minds of the representatives of the nationality—that the unity of this country must prevail.

Overcoming regional inequalities is also a constitutional precept, and a continuing process (Article 30). There will always be something to do, since regional disparities are not simply geographical; they also take the form of "regions of citizenship" in terms of the social order, income distribution, the structure of property ownership, access to cultural assets, health services, and many other aspects.

Those who, like prophets of the apocalypse, hold out the prospects of salvation through separatism, achieved by despoiling unity, are guilty of offending the dignity of the citizens and they cheat the hopes of those who forget that in any region there is room for improvement, but they are all Brazilian.

* January Industrial Performance Data Released

93SM0241B Sao Paulo GAZETA MERCANTIL in Portuguese 6 Apr 93 p 11

[Article by Rio correspondent Vera Saavedra Durao]

[Text] Regional industry performed satisfactorily in most of the Brazilian states surveyed by the Brazilian Institute of Geography and Statistics (IBGE) this past January, but Sao Paulo and Rio Grande do Sul deserve special mention; in the comparison with January 1992, they grew by 11.45 percent and 16.3 percent, respectively. With regard to December, Sao Paulo's physical output of manufactured goods increased by 2.37 percent, overshadowed only by Santa Catarina, with its 12.43 percent growth in that period, while the other states posted negative results. In the 12-month cumulative figures, Sao Paulo industry still shows a negative rate: minus 3.8 percent.

Compared with December 1992, the factories in Sao Paulo state posted a 37.48 percent increase in the level of activity in the transportation materials sector. The rubber sector also experienced a noteworthy expansion in that comparison, with a positive rate of 17.44 percent, while pharmaceuticals, up-by 15.79 percent, also did well. The category of perfumes, soap, and candles distinguished itself during the period, having boosted its production by 28.21 percent. Plastic products also rose by 9.08 percent compared with December 1992 levels. Food production dropped by 11.87 percent, and apparel, footwear, and textile products declined by 16.51 percent.

Brazil: Performance of Domestic Industry By regio . - January 1993

Place	Rates of Change	
	Monthly	12-month Cumulative
Northeast Region	2.6	-3.0
Pernambuco	0.1	-11.0
Bahia	-3.6	2.3
Minas Gerais	-3.7	-5.6
Rio de Janeiro	0.7	-4.3
Sao Paulo	11.5	-3.8
Southern Region	5.9	-1.0
Parana	5.2	-1.1
Santa Catarina	2.5	-4.3
Rio Grande do Sul	18.3	3.3
Brazil	71.	-4.1

Source:IBGE

Automakers

The IBGE analysts made special mention of the behavior of the automobile industry within the universe of Sao Paulo manufacturing. Sales of trucks and cars increased by 26.4 percent in January, compared with the same month of last year. As IBGE specialists see it, much of the vehicle production is probably intended for the domestic market. This is because according to Anfavea [National Association of Automotive Vehicle Manufacturers], between January and February there was an increase of 12.1 percent in the number of units sold by the automakers in Brazil. In the past 12 months, the cumulative indicator of physical production by the transportation industry rose by 5 percent.

Instant coffee and orange juice were mentioned in the IBGE analysis as export products that made a particularly important contribution to January's expansion of production by 11.45 percent over January 1992. Despite this recovery, the average level of production in Sao Paulo manufacturing is 12.25 percent below its 191 average level, IBGE noted.

* Industry Sustains Slight Recovery in February

93SM0241C Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 Apr 93 p 10

[Article by Rio correspondent Vera Saavedra Dutra]

[Text] In February, Brazilian industry kept itself—albeit timidly—on the road to recovery, according to the data gathered by the National Confederation of Industry (CNI) during the period. The CNI registered a growth of 2.09 percent in sales of manufactured goods, an 0.06 percent expansion in employment, and a 0.10 percent increase in the average use of installed capacity, which climbed from January's 72.10 percent, to 72.20 percent.

To CNI economist Flavio Castelo Branco, "the figures are not large, there was no explosion, the extent of the recovery was limited, but there was continuity." In his view, Brazilian manufacturing will continue to show positive results in March.

A less restrictive economic policy, lower interest rates, a reduction in savings account earnings—and—to a certain degree, less uncertainty as to announcements and denials of the introduction of economic plans are factors Castelo Branco cited as tending to spur domestic demand, which in turn has boosted industrial production. "Recessionary therapy is not on the government's menu, so people are losing their fear of being unemployed and are starting to spend money," the economist commented.

Brazil: Performance of Domestic Industry (January/February 1993)

Manufacturing industry	February	January
Total sales (1)	2.09	-1.73
Total employment	0.06	0.27
Hours worked in production	-1.24	2.03
Total net wages paid (2) (wage bill)	-0.42	-0.96
Use of installed capacity (%)(3)	72.20	72.10

(1) Deflator: IPA/OG, wholesale price index for the manufacturing industry, calculated by the Getulio Vargas Foundation.

(2) Deflator: INPC-Brazil/Metropolitan Region - Consumer Price Index, calculated by IBGE.

(3) Average percent of utilization relative to the reference month.

Source: Industrial Indicators, published by the CNI.

Castelo Branco recalled that real wages are gaining ground, despite the average indicator of the industrial wage bill having been negative in February (0.42 percent less than in January). He attributed this decline to the fact that February had fewer working days, which also brought down the average indicator of hours worked (by 1.24 percent). But in Sao Paulo, the wage bill increased by 1.11 percent, and in Rio de Janeiro climbed by 7.34 percent, revealing an improvement in business activity in the two states that account for the largest share of GDP.

Castelo Branco emphasized that despite this behavior by manufacturing, the CNI is still concerned about the acceleration in the inflation rate.

* Debts of State Firms Exceed Liquid Assets

93SM0241D Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 Apr 93 p 5

[Article by Brasilia correspondent Claudia Safatle]

[Text] The 163 state enterprises, taken as a group, have a total indebtedness (domestic and foreign) that exceeds their total net worth. Moreover, their rate of return, as measured by net profit, is incompatible with the size of their assets. This is a business and financial situation that reinforces the theory that the privatization program should be expanded, a theory that now has the support of Minister of Finance Eliseu Resende and Minister of Planning Yeda Crusius.

The state corporations' total debt grew from $74.21 billion in 1991 to about $87 billion in 1992, according to data collected by the Department of State Enterprise Control (DEST), associated with the Ministry of Planning. Their net worth, which was $83.24 billion in 1991, has probably fallen below $80 billion because of the privatization that has already taken place.

Overdue debt, which was $20.32 billion in 1991, was cut to $17 billion last year when payments were made on domestic loans. The past due debt was distributed as follows: 41.3 percent to domestic banks, 29.3 percent to foreign creditors, 6 percent to the Treasury (assessments and taxes), 4.2 percent to construction contractors, and 14.3 percent to other state corporations. In 1992, the only reduction in the list of past due debts occurred as a result of payments on domestic loans.

Between 1990 and 1992, the companies reduced their payroll from 572,260 employees (in 1990) to 476,745 employees last year. Payroll expenses declined slightly, from 2.25 to 2.08 percent of GDP, according to SEPLAN [Secretariat of Planning and Coordination of the Office

of the Presidency] figures. But this year, wage and salary expenses are likely to jump to 2.5 percent of GDP because of the generous collective bargaining agreements negotiated beginning last September, whose effects will be felt during this fiscal year.

The net worth of the state corporations is distributed as follows: Eletrobras [Brazilian Electric Power Company, Inc.] accounts for 40.8 percent of the total; Petrobras [Brazilian Petroleum Corporation] and Telebras [Brazilian Communications, Inc.] are tied with 13.9 percent each; the railroads have 9.9 percent, and the Vale do Rio Doce Company accounts for 7.6 percent.

During that same year [as published, apparently 1991], the group of public companies showed a loss of $943 million. The net profit of $855 million realized by Vale do Rio Doce, Eletrobras, Acominas [Minas Gerais Steel Company], and the Post and Telegraph Company, among others, was completely absorbed by a $1.79 billion loss recorded by the federal railroads, Petrobras, Cosipa [Sao Paulo Iron and Steel Company], Telebras, CONAB (National Supply Company) and Rio de Janeiro Docks.

The Ministry of Planning still does not know whether this situation was completely turned around in 1992, a year in which the companies were following a policy of charging realistic tariffs until September, when this was interrupted by the change in the presidency of Brazil, or whether the group of state corporations posted another loss. The company balance sheets will not be ready until later this month.

Last year, those companies, together, produced an operating deficit equivalent to 0.4 percent of GDP, i.e., about $1.6 billion, without considering the foreign exchange and monetary correction factors on that debt. The goal this year, Planning Minister Yeda Crusius said, is to eliminate that deficit. To do so, she noted, it will be necessary to adopt a policy of tariff recovery, especially in the electric power sector, where utility rates are lagging by about 50 percent, and at Petrobras, where the lag is much smaller.

"The state enterprises must get in step with the key macroeconomic goals of this administration," Ms. Crusius pointed out. She mentioned increased use of management contracts as useful in this task.

The government is still studying a wage rule that would be conditioned on payment of dividends to the federal government and, according to the minister, she feels that investment and wage and salary expenditures must be derived from the goal to abolish the deficit.

Ms. Crusius believes that the privatization program should be expanded and accelerated. She says it makes no sense for the federal government to have spent $10 billion on the iron and steel sector between 1985 and 1992, to the detriment of expenditures on education, health, housing, and basic sanitation.

Before privatizing subsidiaries of Eletrobras, she emphasized that the tariff situation in the electricity sector must be corrected, so as not to depress the price of shares in those companies (like Furnas Electric Power Plants, Inc. for example). She also agreed that Vale do Rio Doce and its nearly 50 subsidiaries should be privatized, but observed that Telebras is protected by the Constitution.

SEPLAN is also analyzing the federal government's equity position in 1,086 enterprises. Since this position is as recorded in December 1991, the agency is checking to see whether or not the federal government still has an interest in these firms.

* More Foreign Participation in Auctions Proposed

93SM0241E Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 Apr 93 p 32

[Article by Brasilia correspondent Eugenia Lopes]

[Text] By the end of next week, President Itamar Franco is supposed to receive the final text of the proposal that would raise the permitted participation by foreign capital in the privatization auctions to as much as 100 percent. This information was provided last Friday by Attorney General Jose de Castro Ferreira, one of those who prepared the draft of the proposal. "There is no moral reason why foreign companies cannot acquire the state enterprises," Castro argued.

He observed, however, that companies associated with sectors that are considered of strategic importance—such as telecommunications, radio broadcasting, and petroleum—will not be eligible to have the permissible role of foreign capital increased when their auctions are held. Castro noted that the Constitution itself prohibits foreign groups from acquiring a controlling interest in strategic companies. At present, foreign capital participation in purchases at privatization auctions is limited to 40 percent. The legislative proposal increasing that share under the Denationalization Program will have to be considered by the National Congress.

In stressing that President Itamar Franco is personally committed to the success of the privatization program, the attorney general reaffirmed that the auction of National Iron and Steel Company (CSN) was conducted within the rules established in the announcement and, therefore, according to the law. "As far as I can see, and as far as I know, everything was legal," he pointed out.

As regards the Congressional Investigation Committee set up by the National Congress to investigate the Itamar Franco administration's privatization program, Castro said this is part of the democratic process. "It is normal for the legislative branch to want to check up on the executive branch. In fact, I applaud it for doing so," he said. The attorney also maintained that he is unperturbed by the criticisms of the privatization program by the vice president of the Executive Committee, Joao Agripino Maia. "The commission has a lot of members. He is just one person, and merits all due respect. But

certainly his (Maia's) opinion cannot prevail against the opinions of the majority of the members of the committee," he argued.

The 163 state enterprises have a total domestic and foreign indebtedness that exceeds their total net worth and a rate of return, as measured by net profit, that is incompatible with the size of their assets. This is a business and financial situation that reinforces the theory that the privatization program should be expanded, a theory supported by the finance and planning ministers.

* New EMFA Chief Voices Wage Issue Concerns

93SM0241F Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 Apr 93 p 6

[Text] The new chief of the Armed Forces General Staff (EMFA), Admiral Arnaldo Leite Pereira, said Friday that there is widespread concern in the government about the lag government employee salaries. Shortly after being sworn in he said, referring to the proposal for monthly readjustments, that any policy to recover lost ground will always be welcome. The admiral stated, however, that he is in favor of whatever method of readjustment President Itamar Franco decides to adopt. The former EMFA chief, General Antonio Rocha Veneu, has been named as Brazil's military observer at the U.N.

According to Leite Pereira, the concern of military leaders is founded on the complaints they are hearing from their subordinates. In his inaugural speech, Leite Pereira announced that he will work hard "to coordinate the mutual interests of the Armed Forces, even those that pertain to their fair and adequate remuneration," Agencia Brasil reported.

The EMFA chief also argued that the Armed Forces need to be prepared to defend the country. According to him, the end of the Cold War raised false hopes for peace in the world, hopes now dashed by the "winds of war" in southeastern Europe, Africa, and the Middle East. He said that the seven great powers exercise a genuine "condominium of power" for making decisions. Therefore, in the admiral's view, it is EMFA's duty to form a link between the Army, Navy, and Air Force to advise President Itamar Franco in the development of military policy, strategy, and doctrine.

The Air Force

In a ceremony at which Minister Lelio Viana Lobo presided, Brigadier General Marcio Nobrega Ayrosa Moreira assumed the office of Air Force Chief of Staff, replacing Brigadier General Sergio Luiz Burguer, who transferred to the reserve after having completed his time in service.

Colombia

Gaviria Opens Peace Summit Amid Skepticism

PA1205162993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 May 93

[Text] Amidst general disbelief, a new peace summit, this time endorsed by AD/M-19 [19 April Movement Democratic Alliance] and other political organizations, is being held in Bogota. Although the government is present at the meeting, the traditional parties, trade unions, and rebel groups are conspicuously absent.

During the peace summit, opened by President Cesar Gaviria a few minutes ago, two main subjects will be debated: one, the result of the reincorporation process and its outlook in relation to the still armed guerrilla groups; and two, the possibility, brought up by some sectors, of resuming the talks. President Gaviria spoke very clearly.

[Begin Gaviria recording] We will be generous with all of the guerrillas who unmistakably demonstrate they want to negotiate, not to use peace tactics as a war strategy, but to be truly reincorporated into civilian life. Similarly, we will not hesitate to be generous toward the Socialist Renewal Movement, provided they are true to their remarks and finally make up their minds to allow for a cease-fire. [end recording]

President Gaviria said the government had invested 13 billion pesos in reinsertion plans during the last three years. In a later report we will show how the reinsertion plan for the demobilized guerrillas is really performing.

Navarro Wolf Supports ELN Peace Talk Proposal

PA1305043093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 May 93

[Text] Antonio Navarro Wolff, leader of the 19 April Movement Democratic Alliance, was at the Modelo jail once again on 12 May but only for a visit. At this very moment he is meeting with Francisco Galan, the fourth ranking leader of the Army of National Liberation [ELN], who is an inmate at the jail. On 11 May Galan issued a proposal whereby talks with guerrillas from his group would resume, this time at the Modelo Jail in Santa Fe de Bogota and with Galan as the guerrillas' leading spokesman. Navarro will advise him to resume the talks in Cauca Department.

[Begin Navarro recording] I will propose that we clear up this situation by reopening talks in a department with a certain ELN front and with a bilateral cease-fire process based on detente and regional negotiation. The Modelo jail might play a complementary role; (?La Picota) jail played a very important role when members of the 19 April Movement were incarcerated there in 1980. The idea now, however, is to find a part of the country where a process can be initiated with an armed front. [end recording]

Navarro's visit may mark the beginning of a new peace process because his proposal comes in addition to the one already made by top ELN leader Manuel Perez, a priest.

Government 'Has No Faith' in Guerilla Proposal

PA1305134993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 May 93

[Text] Army of National Liberation [ELN] leader Manuel Perez has made attempts lately to resume the peace talks, but the government has no faith in his proposals because, it says, the subversives' actions contradict the desires expressed by them. On 11 May the Armed Forces presented a report on guerrilla activities.

Seven months ago when the government declared an all-out war on subversion, the guerrillas changed their warfare strategy. They now avoid head-on clashes with the Army, preferring isolated attacks in which mostly civilians have been killed.

Over the past 30 days alone, for example, the Simon Bolivar National Guerrilla Coordinating Board murdered engineer Oscar Tamayo, who was the Colombian Petroleum Enterprise [Ecopetrol] production chief in Barrancabermeja, while the list of petitions presented by Ecopetrol employees was being negotiated. In Mechi, Antioquia, guerrillas mined an extensive rural area to ambush Army troops. Four children entered the mine field while playing and one of them lost both legs. Ten days ago in Nazareth, Cundinamarca, two wounded soldiers who were being transported in an ambulance were disconnected from their survival equipment and the ambulance was dynamited. On 9 May three police officers were killed during an ambush in Arboletes, Antioquia, and on 10 May another three people, including a girl of only three, were killed by the explosion of a load of dynamite left behind by guerrillas in the rural area of Jamundi, Valle del Cauca.

While these incidents take place, ELN leader Manuel Perez is insisting on holding peace talks with the government and his first demand is an Armed Forces cease-fire.

Suspension of Decree Sets Back Surrender Process

PA1305130293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 13 May 93

[Report by Diego Hernan Canales]

[Text] The talks between the Cali Cartel and the Prosecutor General's Office have come to a halt. None of the planned contacts or meetings took place this week. The Constitutional Court's decision to suspend the decree that allows prison terms for those who surrender to be negotiated, blocked the talks.

[Begin Prosecutor General Gustavo de Greiff recording] It was assumed that a second meeting was to have taken place on 10 May, but the contact attorney said that his clients were studying the implications of the decree that suspends Decree No. 64 and that they would contact the Prosecutor General's Office in due course. [end recording]

But the suspension of that decree brought more problems. The assistance rendered to the Prosecutor General's Office by Max Mermeistein—the drug trafficker who wrote the book The Man Who Made Cocaine Rain—was also suspended. Mermeistein's testimony is considered crucial against Pablo Escobar and his organization.

[Begin De Greiff recording] Since the decision which made the decree unenforceable, we have not received any news as to when he would be available to testify. [end recording]

The same thing has happened with the contacts for a new surrender of Pablo Escobar.

[Begin De Greiff recording] There has been nothing new since the 29 April letter, which was allegedly sent to me. [end recording]

In addition, the prosecutor referred today to the versions about the surrender of a Medellin Cartel member, known as Juan Arepas, who supposedly turned over 30 billion pesos in properties owned by drug traffickers.

[Begin De Greiff recording] That is absolutely false. The Prosecutor General's Office does not know anyone by the name of Juan Arepas. It does not know anyone who has come to the Prosecutor General's Office to surrender or turn over properties. The only properties that have been handed over to us are the properties owned by Mr. Urbino Grajales. [end recording]

Foreign Trade Minister Discusses Economic Policy

PA1205195193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 11 May 93

[Interview with Foreign Trade Minister Juan Manuel Santos by reporter Dario Arizmendi in Bogota—live]

[Text] [Arizmendi] Mr. Foreign Trade Minister, welcome back to Colombia after your long tour through the Pacific region and Asia. What is your opinion of this trip?

[Santos] I think it was very positive. By far, we more than met our goals from the government's point of view and, I believe, from the private sector's point of view as well. It was time for us to make our presence felt in that part of the world, which will undoubtedly become the hub of the world economy in the 21st century. We were very well-received everywhere we went; very important contacts were made. In some cases, business deals were closed. Official commitments were made to promote not only exports, but also Asian apparel here in Colombia. [words indistinct] we were unknown. They were very interested when we told them we had preferred tariffs in

the United States and in Europe and that we opened a large broad market in Latin America—as Asia is looking where to invest, where to produce—and we in turn need their technology. In general, I believe the tour was positive. In my opinion, there are two aspects that are very important: In Hong Kong we visited a productivity center. This center's sole goal is to advise companies on how to improve their productivity. They agreed to help us set up a productivity center in Colombia; it would be the first here in Latin America. This is fundamental if we want to join the world economy.

The other aspect that I consider very interesting was a visit I made to the High Countercorruption Commission, also in Hong Kong. I made this visit upon recommendation by my former professor. I met with the high commissioner for around three hours and he explained to me how they had cleaned up Hong Kong. Approximately 15 years ago Hong Kong was one of the most corrupt places in the world. I believe we are going to [words indistinct] a great deal because they offered to help us in every way possible to fight corruption here in Colombia.

[Arizmendi] Minister Manuel Santos, you are returning from the Orient and you know perfectly well the situation of the Colombian economy. Are the exports to China affected by that problem?

[Santos] The exports to China are affected by several factors. The first and the most important is the recession [word indistinct]. In Europe and in the United States they are experiencing an extended recession. Particularly in Europe, perhaps this is the worst recession since the Great Depression. This has had a considerable affect on the prices of Colombian export goods. Practically all of the prices of our export products have had a very important [word indistinct]. Besides this, there are other factors that have contributed to the [word indistinct]; among these is the [currency's] reevaluation. This has taken away the exports' competitiveness. In my opinion, these are the factors that have plagued Colombian exports. Nevertheless, the exports' volume has been maintained and this is important.

[Arizmendi] Mr. Minister, in the case of the reevaluation that you mentioned as one of the fundamental factors that have held back the exports' growth—accepting your thesis that these exports have maintained their level—what was the treasury minister's reaction to this? How did the discussion go during the board of directors' meeting at the Bank of the Republic yesterday?

[Santos] Look here Dario, I believe that there has been an attempt to make a mountain out of a molehill regarding yesterday's meeting. Yesterday we met with the bank's board of directors, the treasury minister, and the ministers from the economic team. We discussed all the economic alternatives. As Alvaro Gomez [Conservative party leader] would say, we [word indistinct] an agreement on the basics. In general, the economy is going well. The economy is showing positive signs on almost all the fronts. There are of course, certain concerns. Each minister has an interest in the sector he represents. For example, the agriculture minister has specific interests in his farming sector; in my case, it's foreign trade. One of those concerns is the handling of the rate of exchange because, as it has been said, we cannot fight inflation at the expense of the exporting sector. What's more, the exporting sector is one of the sectors that generates more jobs.

[Arizmendi] In your opinion, how large should the devaluation be?

[Santos] No, I do not think we can say, in general terms, how much the devaluation should be. I think if there is monetary leeway from which to choose, for example, between a larger devaluation and lower bank reserves, I would, in my capacity as foreign trade minister, prefer a larger devaluation. Another minister would prefer to lower bank reserves, but this depends on the degree of monetary freedom.

We must recognize that the board of directors of the Bank of the Republic has made an enormous effort that has cost the country a lot of money in order to maintain the exchange rate's competitiveness. We have not revalued [revaluado] the currency further because the board of directors and the government have strived to avoid doing that.

In the future, however, we must make great efforts to avoid harming the nontraditional exports sector because of the Cusiana Fields and the revenues that petroleum company investments will generate; or solely because of the resources petroleum production will produce. We must be very careful. We must try to freeze part of those resources abroad and avoid monetizing them.

[Arizmendi] Minister, you are making great efforts to promote foreign trade. The nation and the polls view you as a very good minister. They are, however, making your work difficult through the exchange policy; making difficult your efforts to promote foreign trade. Export revenues fell by 21 percent in comparison to last year. This is a very disturbing indicator, don't you think?

[Santos] It is, and it is why I am now asking for help because the exchange rate policy cannot run counter to the export policy because the entire scheme is based on increased exports that use foreign markets as a means to achieve development. This is the crux of the discussion. We cannot sacrifice exports for the sake of maintaining controlled inflation. We need to find the right balance. The board of directors, the finance minister, and other ministers agree on this.

[Arizmendi] Minister, are you ready to be presidential designate?

[Santos] What are you talking about?

[Arizmendi] Many sectors have proposed you for presidential designate?

[Santos] I do not think that we should deal with an issue before we face it. Former Minister de la Calle said—and this is something that speaks positively about him—he would resign to keep the electoral struggle honest and equitable. I think it would be pretentious and premature on my part to say anything before the fact.

Communications Minister Discusses Media Censorship

PA1305123193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 13 May 93

[Text] Only after 13 May will Colombians know what programs, considered to contain too much violence and sex, have been taken off the air. The conflict continues in the media. But why is the Colombian television mixed up in this matter?

Colombian television today has several problems. The first, and maybe the most important, is the legal aspect. This is the most serious because there is a conflict here between fundamental rights. Only the Supreme Court can clear up what has precedence: if it is the Protection Court's decision that the government diligently attempts to comply with by removing soap operas and programs from daily programming—because they cause mental disturbances to minors, or, if this whole matter should be ruled by the Constitution's Article 20 that states there will be no censorship measures in the country. Here is what Communications Minister William Jaramillo said:

[Begin Jaramillo recording] The minister, the government, has no other choice than to obey strictly the court's decision, although the opinion may not be shared given the conflict created by those fundamental rights. [end recording]

The second problem is moral. The protection touches every sector: from the judge to the programming stations, and from there to Inravision Television, and from the common citizens to the [words indistinct] soap operas. Not even advertisements are unaffected by the Protection Court's decision. But, who can determine what program has excessive amounts of violence and sex? The sex-meter [sexometro] and the violence-meter [violentometro] have the last word.

[Begin Jaramillo recording] Given that I do not have a sex- meter and a violence-meter to measure the levels of violence that harm minors, an interdisciplinary commission was organized.... [end recording]

The third problem has to do with the broadcasting of the programs. The sex-meters and the violence-meters today started to scan for excess sex and violence in the programs. This is why after only two days it will be known what programs are to be removed from the air and how these time slots will be filled. It seems that cultural programs and documentaries will take care of this. As far as the television newscasts are concerned, these will also be scanned by the interdisciplinary commission but there will not be prior control of their contents. The experts say that this mess would have a solution, when—as far as the television programs go—the public's interest prevails over private interest.

Ecuador

Belgium Writes Off $7.5 Million Debt

PA1105141993 Quito Voz de Los Andes in Spanish 2300 GMT 10 May 93

[Report by Francisco Sanchez]

[Text] The Belgian Government has decided to forgive more than $7.5 million of the debt owed by Ecuador. According to the agreement, 42 percent of the debt has been earmarked for social projects to be implemented in Bolivar Province, as well as in the Amazonian region.

[Begin recording] [Finance Minister Mario Rivadeneira] Belgium has decided to forgive the total amount outstanding. The agreement conditions using the debt, in our national currency, for special social projects. These projects will be discussed and agreed upon between both countries. The debt totaled 250 million Belgian francs, or nearly $7 million or $8 million. In order for this total amount to be written-off, Belgium has requested that Ecuador earmark 48 [number as heard] percent of the total amount for social projects. Currently, we have two ongoing projects. One is located in Guaranda, Bolivar Province, and another is in the Agua region. As I said before, these are strictly social projects. [end recording]

Paraguay

Central Electoral Board Updates Vote Tally

PY1305012793 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0000 GMT 13 May 93

[Report by Silvia Carvallo from the Cerro Cora Sistema Nacional de Television studios]

[Text] On the screen is the unofficial data from this station's technical room, as released by the Central Electoral Board [JEC].

Our computer, which is connected to the central board [as heard], shows that Juan Carlos Wasmosy [Colorado Party candidate] has 400,536 votes, representing 40.78 percent; Domingo Laino [Authentic Radical Liberal Party] is in second place with 321,012 votes, representing 32.68 percent; while Guillermo Caballero Vargas [National Encounter] has 219,626 votes, or 22.36 percent.

We must add that so far 982,046 have been counted, with an estimate participation of 57.80 percent of the 1,698,984 voters who registered to vote this past Sunday.

Abandoned, Unsealed Boxes Found Containing Valid Ballots

PY1205202793 Asuncion NOTICIAS in Spanish 12 May 93 p 12

[Text] Several ballot boxes with valid ballots were found yesterday abandoned in the churches of San Vicente and Crucecita Milagrosa in San Roque parish. A cleaner at the San Vicente church showed several ballots, signed by poll watchers and by the balloting table president, which were marked for ticket No. 2 [Authentic Radical Liberal Party—PLRA], No. 9 [National Encounter—EN] and for CDS [Democratic and Social Coalition].

Leaders from the independent EN movement, headed by Luis Alberto Mauro, arrived at the San Vicente church, where they drew up a notarized document about the incident.

The EN representatives said that these ballot boxes should have been at a regional electoral board or at the Central Electoral Board. Although the ballot boxes found at the San Vicente church were well sealed, the cleaner found torn ballots, signed by the balloting table president and poll watchers, which favored the opposition.

Eight ballot boxes were also found in the La Crucecita church, which also belongs to San Roque parish, full of valid ballots. Five of these ballot boxes were open. One was closed, but it could be seen that it had been opened. Only two of the eight ballot boxes were appropriately selaed with the seal demanded by the Electoral Code.

The keepers of the La Crucecita church said that they had found the ballot boxes in the church on 10 May, after the elections. So far nobody has come to claim them or take them to where they belong. This discovery is quite meaningful for the opposition, as the incident may lead to questions that may result in a suspicious case.

PLRA leaders said that similar cases had taken place, in the interior of the country, in which ballot boxes were hidden away and the results in the vote tally records were modified.

Wasmosy Invites Laino, Caballero To Check on Alleged Fraud

PY1205231993 Asuncion Radio Nanduti in Spanish 2000 GMT 12 May 93

[Excerpts] [Unidentified announcer] We have a report by Beatriz from our mobile unit.

[Beatriz—no surname as heard] We are in the house of President-elect Juan Carlos Wasmosy, who gave a news conference on the alleged fraud being reported to the Central Electoral Board. [passage omitted on unrelated material]

Now we are going to hear the comments made by Wasmosy on the alleged fraud being denounced by the opposition to the Central Electoral Board.

[Begin Wasmosy recording, in progress] ...as presidential candidate of our country that I will not conceal any type of fraud. And I would like to put myself at the head of an investigation by inviting Domingo Laino [presidential candidate for the Authentic Radical Liberal Party—PLRA] and Guillermo Caballero Vargas [presidential candidate for the National Encounter Alliance] to join me in this task. So far nothing has been proven, but there are doubts about isolated cases in some parts of the country like the case of Yby-yau. Today I talked with Oscar Denis, who is the PLRA candidate for governor in that region, who said there was some doubt about the elections. If the official electoral records already are here in Asuncion, I invite Denis to come today to go with me to check the records, which also are in the hands of all political parties. The records have the figures and are signed by the people responsible for them, and when he comes we can check them. In case the electoral records are still in that city, I would go there but I do not know if they will come tomorrow. We should all cooperate to clarify the situation. [end recording]

[Passage omitted on commercials]

[Announcer] We are back with Beatriz from our mobile unit.

[Beatriz] Let us continue to listen to Juan Carlos Wasmosy.

[Begin recording] I put myself at everyone's disposal to make things clear and transparent. If a mistake was made, it is necessary to correct that mistake, and if there was any fraud, whoever is responsible should be reported and punished.

[Unidentified reporter] Members of the opposition, the PLRA and the National Encounter Alliance, are talking about a possible challenge in case there are proofs or doubts about the electoral records' legitimacy. Would you support this action if there are some doubts?

[Wasmosy] I would like to see the doubts made into concrete charges. In other words, some people may be disseminating rumors and creating uncertainty. No, I would like to see concrete charges. If there is a concrete accusation, I offer myself to be the head of an investigation including Laino and Caballero to have the elections end well. Let us help the Central Electoral Board with everything we can to speed up the vote count in order to send the figures to Congress for their consideration.

[Reporter] If irregularities are discovered, would you support the annulment [words indistinct].

[Wasmosy] I believe the Electoral Code is categorical in this regard. I will abide by the regulations and the Electoral Code. There can be no doubt about that.

[Reporter] Have you had the opportunity to talk with the other presidential candidates after the elections?

[Wasmosy] No, I did not have the opportunity. I only knew about the case in the northern part of the country

and this is why I called Oscar Denis, who confirmed there was some doubt. Then I offered to go there myself or for him to come if the electoral records are already here in Asuncion. I believe the vote count begins this afternoon; it includes 1,900 voting stations; the count is station by station. I hope the checking will not be done by a single individual but that poll watchers can be organized for each department in order to speed up the checking. [end recording]

[Beatriz] This is part of the news conference given by President-elect Juan Carlos Wasmosy in his house.

Colorado Deputy Warns of PLRA Move To Annul Elections

PY1205232293 Asuncion HOY in Spanish 12 May 93 p 10

[All quotation marks as published]

[Text] According to information released by the Central Electoral Board (JEC) yesterday, after counting 371,709 votes—almost one-third of the ballots cast—ANR [National Republican Association—Colorado Party] candidate Juan Carlos Wasmosy is leading with 39.58 percent of the votes, PLRA [Authentic Radical Liberal Party] candidate Domingo Laino has 30.42 percent, and [National Encounter Alliance candidate] Guillermo Caballero Vargas has 26.52 percent.

The opposition, however, has pressed more charges of alleged fraud. It is believed that the opposition is gathering data to ask Congress to annul the elections.

Colorado Deputy Carlos Duarte Torres yesterday said the PLRA bloc in Congress might be preparing a formal request to annul the 9 May general elections.

The PLRA is raising objections against the procedures in several rural localities, and has taken notary publics to record the irregularities in documents, Duarte Torres said.

"They might be trying to report 20 percent irregularities as grounds for a possible annulment of the elections, based on current Electoral Code regulations, which mention this percentage."

"In order to have Congress annul the elections, the PLRA needs some Colorado votes, specifically from those legislators who disagree with the ANR leadership. Under these circumstances, it might be possible to get a majority to annul the elections," Duarte Torres said. "Congress has the power to pass judgment on the elections and can annul them if a request to that effect claims 20 percent alleged irregularities," the deputy said.

After Congress receives the JEC report and the official electoral records, a special congressional commission is created to make an assessment. The commission, which is made up of congressmen who did not run as candidates, can have 10 deputies and 10 senators."

Later, the commission's assessment validating or rejecting the elections is submitted to a plenary session, which may approve it or reject it."

"PLRA legislators in both chambers reportedly are receiving political instructions to reject, based on legal tricks, the results of the elections held on 9 May," Duarte Torres said.

The elections can be rejected with the support of pro-Argana and pro-Diaz de Vivar legislators.

"Therefore," Duarte Torres went on, "the PLRA executive board and its candidate, Domingo Laino, are delaying recognition of the results, and they might be negotiating power quotas with dissident Colorado legislators.

The final objective might be to reject the 9 May election results and call for new elections." Deputy Duarte Torres said there was a "political plot against the Colorado Party." He said that "the Colorado Party Executive Board and elected candidates Juan Carlos Wasmosy and Angel Roberto Seifart should meet with congressmen in the next few hours because this outgoing transition Congress will make the final decision on the elections."

PLRA, National Encounter Alliance Consider Joint Strategy

PY1205233793 Asuncion ULTIMA HORA in Spanish 12 May 93 p 1

[Text] The main opposition forces—the Authentic Radical Liberal Party [PLRA] and the National Encounter Alliance [EN]—will request the annulment of the elections in the cities and places where "there is doubt" over the legitimacy of the vote tally proceedings records that have various kinds of irregular entries.

The candidates of the two parties, Domingo Laino and Guillermo Caballero Vargas, have "frozen" their acknowledgement of a winner in the elections. They met secretly yesterday to prepare a joint strategy and to carry out a double check of the vote tally to prevent any kind of distortion of the election results.

The PLRA political committee last night discussed the possibility of requesting the annulment of the elections in several towns where there is evidence of irregular procedures in the elections and in the vote tally proceedings records. Meanwhile, the Central Electoral Board continued to release unofficial election results.

Meanwhile, in Spain, [Paraguayan writer] Augusto Roa Bastos said that the result of last Sunday elections "was a regrettable defeat for democracy." He said that the lack of solidarity and of a joint responsibility in the strategy of the opposition was "one of the causes of this defeat." He hopes there will be "a pact of national salvation."

PLRA Cites Election Fraud Cases, Issues Declaration

PY1305153993 Lambare Paraguay Radio Cardinal in Spanish 1900 GMT 13 May 93

[Excerpt] The PLRA [Authentic Radical Liberal Party] executive board held a news conference yesterday to announce its position regarding alleged election frauds in several parts of the country. PLRA President Juan Manuel Benitez Florentin said the following:

[Begin recording] We have received notarized reports on charges of irregular election procedures from our department delegates. I want to read from a list of irregular procedures, a few examples, because these are not all the cases.

Boqueron: Colonel Segovia and other Army members created a coup d'etat psychosis through which they attempted to prevent people from voting. Indian voters were threatened with death or with being sent to Bolivia if they did not vote for the officialist candidate.

Puerto Casado: An atmosphere of generalized violence was created a few days before the elections. On 9 May, Mr. Kiko Diaz threatened Indians with death. A gang of drunk bullies, headed by Miriam Saldana, installed itself at the entrance of the school where the elections were held to prevent the entrance of non-Colorado voters.

Yatayty: The carousel vote [a procedure by which a single voter votes several times] was improved upon. The poll watchers, who had been appointed 15 days before the elections, signed the ballots days before the elections, forging the signatures of other poll watchers.

Chore: A ballot box was stolen from the man who was carrying it. He was threatened and he dropped it. The ballots blew away.

Concepcion: We are requesting the annulment of the elections in two districts; in Santa Rosa and Mongelos where ballot boxes were stolen by police and military men. Opposition members were expelled when they attempted to accompany the ballot boxes which were taken to the local National Development Bank branch. After this incident was reported, the ballot boxes appeared with their seals broken.

Union: Colorado poll watchers abandoned the voting station before signing the vote tally proceedings records.

Juan de Mena: There has been an attempt to annul the elections in Voting Stations No. 4 and No. 7. At departmental level, there were attempts to fill the boxes with ballots with forged signatures.

Caaguazu: The police intentionally mixed up identification documents that had been requested between July and September 1992. Between five and 10 voters who had voted in previous elections were eliminated from the voting lists. Local public authority vehicles were used in favor of the officialist candidate. Police and Armed Forces members openly participated in political and partisan activities. [end recording] [passage omitted]

Benitez Florentin then read a declaration by the PLRA.

[Begin recording] These cases, which are not all of them but just some examples, constitute a serious indication that there is a plan to distort the will of the people.

The PLRA executive board will establish its position on these elections once all the envelopes containing the vote tally proceedings records are received, examined, and tallied so as to enable us to make a serious and responsible judgment.

We are a democratic and honest party that has decided to accept the real results of the elections once the cases we denounced—and which we will continue to denounce—are clarified. We are willing to help build democracy, but we are also decided to defend, with all the necessary firmness, the results that are favorable to our party but which are being denied to us. [end recording]

Congress President 'Expresses Doubts' About Election

PY1305153593 Asuncion ABC COLOR in Spanish 13 May 93 p 3

[Text] Congress President Gustavo Diaz de Vivar yesterday expressed doubts about the election of Colorado Party candidate Juan Carlos Wasmosy as president of the Republic and the honesty of the 9 May elections. Congress will pass judgment on the elections later this month.

Diaz de Vivar is one of a group of Colorado Party legislators who asked the Supreme Court of Justice to postpone or suspend the general elections claiming, among other things, the existence of a plan to commit fraud in favor of the ruling party.

Before the elections, the Colorado Party legislator said he accepted the Supreme Court's rejection of his petition, "but on 9 May the citizenry will see our clear warning over the outcome of the electoral process."

Talking to an ABC COLOR journalist, the legislator yesterday noted that his warning was valid and that the opposition did not pay enough attention to it.

Diaz de Vivar pointed out that the voters lists at the balloting tables did not match the voters lists supplied by the Central Electoral Board to the political parties and that at some balloting tables only ruling party representatives were present.

In response to a question, Diaz de Vivar said: "(Domingo) Laino probably won."

"Do you really believe that Laino won?"

"Well, I don't know. This is the information available."

"Is this something serious?"

"It is serious. I am not absolutely sure about telling you this. (I do not have) the assurance of the papers. This is what we are going to check when all the papers are received here. It is likely. This matter is in the wind."

"As sure as it will rain or the sun will rise?"

"Not as likely, but you (addressing the journalist) know this issue is being discussed a lot. Both of them (the candidates) are running neck and neck... I cannot give you data because I don't have it. As soon as I have it I will be able to truly confirm it. Meanwhile, this is a conversation between friends—if you say you talked to me, I will deny it. I am telling you this so that you will open your eyes and start investigating quickly."

Diaz de Vivar later left Congress to finalize his visit to Argentina where he will lecture at various universities.

The judgment of the elections represents the last step in the electoral process and consists of studying the vote count proceedings records and all the voting records in order to approve or disapprove the vote count. If it is raised, a total or partial annulment of the elections might also be studied.

Diaz de Vivar said the opposition will have ample guarantees during the judgment of the elections in Congress where the Colorado Party has an absolute majority.

Argana Followers To Continue as Colorado Party Movement

PY1105210693 Asuncion ABC COLOR in Spanish 11 May 93 p 12

[Excerpt] Several members of the [former Colorado Party, ANR, presidential pre-candidate Luis Maria] Argana-led movement stated yesterday that most Argana supporters plan to continue as a movement within the National Republican Association-Colorado Party and will participate in future political party events.

Luis Maria Argana, the leader of this movement, declined yesterday to comment on the general elections, in which he objected to the Colorado Party presidential and vice presidential candidates who won the election [as published].

According to his close advisers, Argana will wait awhile before expressing his opinion on the elections and on the objectives of his movement—the Colorado Reconciliation Movement.

Argana's supporters are looking forward to the Colorado Party Executive Board elections, scheduled to take place two years from now, and the municipal elections later.

Colorado Reconciliation Movement leaders hold considerable power within the Colorado Party, which means the party faction which won the general elections will have to seek rapprochement with Argana's movement if it is to build the political strength of the party. Argana's supporters claim they will hold half the elective positions to which the ANR is entitled in the next presidential term.

Paraguayan President-Elect [title as published] Juan Carlos Wasmosy, yesterday said that he wants to meet Argana to discuss the matter. [passage omitted]

Peru

Fujimori Expresses Satisfaction With Results of Struggle Against Subversion

PA1305030893 Lima Global de Television Network in Spanish 0100 GMT 13 May 93

[Text] President Alberto Fujimori on 12 May expressed his satisfaction with the results of the struggle against subversion. He spoke at San Marcos University on the occasion of that institution's 445th anniversary. The strong presidential speech, which was charged with emotion, was preceded by two explosions.

[Begin Fujimori recording] Today, hear me well, there is no room for criminal gangs in San Marcos, and soon there will be no more room for them in Peru! [applause] [end recording]

These strong words were the president's reply to a small group of students who insulted him and demanded that he leave the university. The misfits went as far as setting off an explosive device just when the president spoke about the law and order that is now enforced in the previously restive university.

[Begin Fujimori recording] Order is fundamental for a center of learning to recover its excellence and prestige. [cheers, applause] [end recording]

The president also announced the delivery of $3 million to refurbish San Marcos stadium.

[Begin Fujimori] In appreciation of my designation as one of the godfathers of the graduating law school, I bring 50 Model 386 computers for the law school. [applause] The biological science faculty needs microscopes; you have the 100 microscopes! [cheers, applause] [end recording]

President Fujimori was the guest of honor at the 442d [as heard] anniversary of the founding of San Marcos University, the country's oldest teaching institution, which over the past two years, as current Rector Wilson Reategui pointed out, has experienced a noticeable comeback.

[Begin Reategui recording] San Marcos is attentive to the changes that the country and the world have recently experienced and seeks to respond to those changes in the best way possible. [end recording]

Government Approves 'Repentance' Law for 'Terrorists'

PA1005220293 Lima Panamericana Television Network in Spanish 0300 GMT 9 May 93

[Text] The Peruvian Government on 8 May approved a supreme decree published in EL PERUANO on the Repentance Law. In one of its chapters, the law specifies that persons sentenced for terrorism may receive the benefits of this law and the relatives of those who repent will be granted protection under certain circumstances.

Article Two of the Repentance Law published on 8 May in the official daily EL PERUANO points out that the provisions cover those who are included or not in a police investigation, penal process, or sentenced for the crime of terrorism. Section One of the reduction of the sentence points out in Article Five that the following will be included in the benefits of sentence reduction:

1. Up to one-half of the legal minimum to he who, not having been arrested but included in a penal process, voluntarily decides to suspend definitely his terrorist activities and confesses the criminal activities in which he participated.

2. Up to one-third of the legal minimum to he who is arrested redhanded during a police investigation, during any phase of the penal process, and prior to the oral charges by the prosecutor, and who in addition confesses his participation in the crime of terrorism and expresses his repentance.

Section Two of the exoneration of the sentence points out in Article Six: Also covered by the benefits of the exoneration, in additon to not having to serve sentence is he who, included or not in a penal process for the crime of terrorism, voluntarily provides timely and true information that allows learning about the activities of terrorist groups or organization and fully identifies the chiefs, commands, chieftains, leaders, or members of the organizations, as well as capturing the same, and who prevents or neutralizes future terrorist actions or notifies the police or judicial authorities of any dangerous situation that will allow preventing the action.

Section Three of the remission of the sentence specifies in Article Seven: Those who will receive the benefits of remission or pardoning of the sentence includes he who having been deprived of his freedom for the crime of terrorism and provides true, opportune, and valuable information that will lead to uncovering the activities and operations of his group or terrorist organizations, completely identifies the chiefs, commands, chieftains, leaders, or members of the organization, and make it possible to capture them, as well as learning of future actions that can be prevented or the damage these could have produced are neutralized as a result of such information.

Section Four of complementary benefits points out in Article Eight that for receiving the benefits mentioned in the previous articles, the person making the request may receive the following complementary benefits:

A) The secret of his identity is guaranteed;
B) Maximum security measures are adopted for his personal safety;
C) A change of identity;
D) He is assigned economic resources for obtaining employment and change of domicile, according to the circumstances, and when the case so requires it, the benefits will be extended to his relatives.

CCD Ratifies Draft Constitution Sanctions

PY1205183093 Lima EL COMERCIO in Spanish 4 May 93 p A4

[Excerpts] During a debate yesterday about the state and nation, the right to insurgency in defending constitutional order by the citizenry was ratified in the new draft Constitution being prepared by the Democratic Constituent Congress [CCD] constitutional committee.

The CCD constitutional committee also confirmed that Peru is a social, democratic, independent, and sovereign Republic with a unitary, representative, and decentralized government. The capital of the state is Lima.

The committee confirmed Spanish as the official language and the flag, shield, and national anthem as the national symbols. [passage omitted]

The committee also approved that "no one owes obedience to an usurping government nor to anyone who assumes a public post by violating the Constitution." [passage omitted]

Prosecutor Asks Media, Public To Help Locate Gen. Robles

PA1305042493 Lima Global de Television Network in Spanish 0100 GMT 12 May 93

[Text] Blanca Nelida Colan, supreme public prosecutor for criminal matters, requested the support of the media and the general public to help her locate General Rodolfo Robles Espinoza.

[Begin recording] [Colan] We would like to enlist your help in getting his exact address. All we know is that he is in Buenos Aires.

[Unidentified reporter] He still might not talk when he gets his head bashed.

[Colan] It is his problem to decide whether to talk. All Peruvians would like him to talk because he is a trained military officer who enjoys high military prestige. Every Peruvian wants to know what really took place. If he has evidence, then please come forward. This is the opportunity for him to say: I have this evidence. We do not want just a letter because we do not know if it is his writing or his signature or if he is willing to stand by what he has written. [end recording]

Army Generals Say Robles 'Dishonored the Uniform,' 'Must Be Expelled'

PA1205175593 Lima Global de Television Network in Spanish 0100 GMT 12 May 93

[Communique issued by 54 generals of the Peruvian Army; place and date not given]

[Text] The generals of the Peruvian Army, meeting freely and spontaneously on this date [date not given], agree that because of his treachery and cowardice, Division General Rodolfo Robles Espinoza has dishonored the uniform that the nation gave him. Therefore, independent of the penal punishment, he must be considered unworthy of belonging to the Peruvian Army and of wearing the medals and awards that the nation bestowed upon him. He must be expelled from the institution and his name erased from the roster of Army officers.

Signed: Division General Roberto Saldana Vasquez, chief of the Army general staff; Division General Howard Rodriguez Malaga, commander general of the 1st Military Region; Division General Maximo Bracamonte Vargas, chief of the National Defense Secretariat; Division General Jaime Urreolo Correa, commander general of the 3d Military Region; Division General Victor Garcia Gonzalez, Army inspector general; Division General Jose Cabrejos Samame, Armed Forces chief of staff; and 48 brigadier generals.

Arrest of MRTA's 'Number Two Man' Serpa Denied

PA1205153193 Lima Global de Television Network in Spanish 0100 GMT 12 May 93

[Text] Colonel Julio Gonzalez Borges of the San Martin subregion has denied the arrest of Nestor Serpa Cartolini, number two man in the Tupac Amaru Revolutionary Movement, MRTA. Here is a report by correspondent Alfonso Navarro.

[Begin recording] [Navarro] National Police Col. Gonzalez said that the media reports on the arrest are completely false. Here is what he told us:

[Gonzalez] [words indistinct] he has not been arrested. There have been more or less important arrests, to which a great extent helped us locate Lucero Cumpa, third in command in the MRTA. In short, we have not arrested Serpa Cartolini.

[Navarro] The Army and National Police have been conducting operations in the Alto Mayo area, between Rioja and Moyobamba Provinces. In Yuracyacu, there was first a confrontation between the MRTA and peasant defense patrols and later between the Army and the subversives. One child and several MRTA members died in the clashes. The National Police and Army are joining forces against the subversives. Through the repentance law, many subversives are surrendering to the prosecutor's office in San Martin and Rioja Provinces. The Peruvian Army is planning to present to the media those who have surrendered and want to rejoin the community. [end recording]

CCD Confirms 200-Mile Seacoast Limit to Territorial Jurisdiction

PY1205201693 Lima EL PERUANO in Spanish 3 May 93 p A5

[Text] Yesterday evening the CCD [Democratic Constituent Congress] Constitution Committee confirmed the Peruvian thesis of a 200-mile limit to territorial jurisdiction, as put forward in 1947 and established in the 1979 Constitution. This authorizes the state to control the exploitation of economic resources, mineral and marine life, along the country's seacoast.

The Constitution Committee approved Article 2 of the chapter On Territory of the new Constitution, which states that Peruvian territorial waters include the part of the sea adjacent to its coast as well as the sea bed and subsoil, to a line 200 geographical miles distant from the coast baselines as established by law.

Articles 2 and 3 of the same chapter state that territorial waters and airspace are within the sovereignty of the state, and its courts have jurisdiction up to the 200 mile limit, without prejudice to freedom of communications and international trade, and pursuant to international law and treaties ratified by the state.

Andres Aramburu Menchaca and Eduardo Ferrero Costa also participated in the evening session, as they, with Juan Miguel Bakula, were part of the Foreign Ministry's commission in charge of drafting the chapter entitled On Territory.

Chilean Foreign Minister Signs Lima Treaty Agreements

PA1205210993 Lima Global de Television Network in Spanish 0100 GMT 12 May 93

[Text] On the second day of his official visit to our country, Chilean Foreign Minister Enrique Silva Cimma on 11 May achieved his main goal; that is, the signing of agreements pertaining to issues pending in the Lima Treaty of 1929 and its complementary protocol that will transfer the facilities of the port and the railroad station in Arica to Peruvian management. An agreement on free traffic of merchandise, which will grant free port treatment to Peruvian products, was also signed.

These agreements were signed by Prime Minister Oscar de la Puente Raygada and Chilean Foreign Minister Enrique Silva Cimma in the presence of President Alberto Fujimori at the Gold Room of the government palace.

President Fujimori emphasized the importance of the historic agreements that were signed. He said they will consolidate bilateral relations between Chile and Peru, whose relations henceforth must be based on mutual trust.

Foreign Minister Silva Cimma noted the (?failure) of the Peruvian and Chilean Governments to legalize the 1929 Treaty and welcomed this later ratification, which, according to him, closed one chapter in their bilateral relations and opened doors to a new path:

[Begin Silva Cimma recording] Perhaps we have taken too long to attend this appointment with our fate [words indistinct] trust in each other and hopes [words indistinct]. [applause] [end recording]

The Chilean diplomat met with his Peruvian counterpart Oscar de la Puente in the morning to discuss the agreements signed on the evening of 11 May. That afternoon Silva Cimma visited the Democratic Constituent Congress [CCD] with Alejandro Magnet, Chilean ambassador to Peru, to hold a protocol meeting that lasted 30 minutes with CCD First Vice President Carlos Torres y Torres Lara, who is representing CCD President Jaime Yoshiyama while he is abroad.

Venezuela

Police Prevent 'Radical Cause' Protest Against Perez

PA1305013993 Hamburg DPA in Spanish 0136 GMT 13 May 93

[Excerpt] Caracas, 12 May (DPA)—Metropolitan policemen prevented the leftist Radical Cause from staging a protest demonstration against President Carlos Andres Perez on the afternoon of 12 May to demand that Perez be tried. The labor-leaning political party charged that policemen blocked the arrival of vehicles carrying sound equipment and podiums that were going to be set up in the downtown Caracas Plaza where the presence of dozens of policemen was observed. Spokespersons for Radical Cause told hundreds of persons present to break up the protest demonstration that was about to begin. According to Radical Cause, it is a political party and is therefore entitled to stage public rallies by merely notifying the governor. The authorities, however, said the demonstrators did not have the required permit. [passage omitted]

Police Fight Caracas Rioters, Close Street

PA1205234393 Mexico City NOTIMEX in Spanish 2229 GMT 12 May 93

[Excerpt] Caracas, 12 May (NOTIMEX)—A new wave of disturbances shook the Venezuelan capital on 12 May, when policemen clashed with hooded persons resulting in two cargo trucks burned and streets closed, authorities have reported. Luis Enrique Oberto, Chamber of Deputies president and Social Christian Party member, voiced his concern over the government's warning about the regrouping of leftist subversive groups seeking to provoke violence in the coming weeks. The resurgence of street violence occurred one day after the Supreme Court postponed until the following week the vote on whether President Carlos Andres Perez must be tried for embezzlement. Several hooded persons burned a cargo truck at the Central University of Venezuela in mideastern Caracas and clashed with policemen despite the fact that riot troops have been deployed since early this morning to prevent violent acts. Policemen closed Paez Avenue, one of the main streets in southwestern Caracas, in El Paraiso neighborhood after unidentified persons opened fire on a cargo vehicle, Caracas Radio Caracas Radio reported. Student protests followed a march by teachers, who have been on strike since last month demanding wage increases. The teachers marched down the Venezuelan capital's main thoroughfare. [passage omitted]

[Caracas Radio Caracas Radio Network in Spanish at 2315 GMT on 12 May adds: "Paez Avenue, in El Paraiso neighborhood, remains closed. There are no disturbances. There is no apparent reason why the avenue has been closed at this hour of the night, when it is 1915 [2315 GMT]. It remains closed by policemen who are not allowing vehicle traffic on Paez Avenue, in El Paraiso. This is quite strange. It is customary in any event that for some reason or other they close off Paez Avenue, whether there are disturbances or not, but this really is the last straw. Many of us live and work here and have things to do in the area, but the avenue is closed and nobody can explain why."]

* Border Demarcation With Brazil Postponed

93SM0228A Caracas EL DIARIO DE CARACAS in Spanish 1 Apr 93 p 31

[Article by Maria Victoria Cristancho]

[Text] For the second year in a row, the annual process of border demarcation with Brazil has been ruled out because of unrest in Itamaraty. This unrest began in January 1992 as the result of an incident involving the National Guard and the downing of a small plane from Brazil, reliable sources have told EL DIARIO DE CARACAS.

Until 1991, Venezuela and Brazil had worked together for 52 years in a row to define the border and set up kilometer markers. However, the Brazilian Foreign Ministry has demonstrated no willingness to undertake the 1993 program, which requires at least six months of preparation. Planning is usually done in the summertime around the month of October and lasts about two weeks.

Brazil's indifference to the issue is basically due to the lack of any satisfactory response from the Venezuelan Government concerning the downing of a Cessna aircraft from that country near Delgado Chalbaud hill in the state of Amazonas on 16 January 1991. The aircraft, bearing registration No. PTB MW, was carrying "illegal miners." Miraflores did send a communique to Brazilian authorities at the time pledging to inform them of the results of their investigations, but no explanation was ever given.

Venezuela is concerned about Brazil's attitude because of the increased flow of illegal miners into Sierra La Neblina, Sierra Parima, and Sierra Pacaraima since 1989.

The demarcation work is coordinated for Venezuela by the Foreign Ministry's general director of borders, Jose Velasco Collazo, who works with the director of demarcation, Carlos Hernandez Zurita, and their Brazilian counterparts. In order for such demarcation campaigns to be effective, there must first be a planning meeting of the Annual Conference of the Venezuelan-Brazilian Joint Commission, which actually draws up the schedule to be followed.

Following the preparatory meeting, the commissions must still get together to spell out operational and technical elements of the field work. It is at this conference that the two countries' responsibilities are defined, logistics are planned (food, transportation, equipment, and so on), and the costs of the operation are calculated. Because of the incident involving the aircraft, Brazil has suspended all demarcation meetings as a means of putting pressure on the Venezuelan Government.

These campaigns have practical objectives. The local population and authorities use the border markers to determine in what territory they are traveling.

The Ministry of Foreign Relations was confident that a meeting of foreign ministers or deputy foreign ministers in Caracas would have solved "the diplomatic chill," but Itamaraty has not reacted positively to this suggestion from Venezuela. Inappropriate remarks by the ambassador who was initially appointed to take the place of Renato Prado-Guimaraes in January, but whose name was later withdrawn, added to misunderstandings that have obstructed relations that had previously reached an acceptable level of smoothness and harmony.

* CIECA Warns Against High Interest Rates

93SM0228B Caracas EL NACIONAL in Spanish 2 Apr 93 p D7

[Text] The Economic Research Center (CIECA) warns that the policy of raising interest rates is not producing the anticipated results in terms of correcting existing imbalances.

While the foreign trade imbalance worsens, reserves reflect a downward trend, and the bolivar depreciates even more rapidly, the Central Bank of Venezuela (BCV) has opted to try to contain the situation by monetary measures, raising the upper limit on interest rates. It thus hopes to absorb liquidity, reduce demand and, at the same time, avoid a capital drain.

This is not an unusual situation. It is the same policy followed since 1989. Actually, in an inflationary environment and using various means, the Central Bank has tried to prevent pressure on prices and the exchange rate, attract capital, and reward banking institutions so that they can maintain the high passive rates.

When interest rates rise, capital flows in for the purchase of instruments offered by the Central Bank. When such instruments come to term, a greater mass of money once again hits the streets. If rates go down for the next issuance of instruments, the monetary increase puts pressure on prices and the exchange rate. The BCV reacts by raising interest rates, the liquidity is absorbed, and a new cycle begins all over again.

While this policy has enjoyed some partial success, it has not changed the trend that makes it necessary, from time to time, to repeat the cycle at higher levels of interest rates, depreciation of the bolivar, and inflation.

Delay in Production

The level of interest rates and other elements comprising the price structure encourage economic agents to invest their assets in the financial system. For these same reasons, money supply, in general, does not turn into productive capital. Since the process of accumulation is obstructed, the introduction of new technologies is halted, while any increase in capacity and modernization of the production infrastructure suffers major delays. As time continues to pass, the expanding money supply does not result in a greater supply of goods, but rather, generates an additional inflationary focal point.

Obstacles to investments emerge precisely from the implementation of a commercial policy that implies an accelerated opening to the outside world, and that demands modernization of the productive infrastructure and the installation of new industries having high productivity and the capacity to generate foreign exchange.

Instead, results have been discouraging. The unilateral elimination of restrictions, lower tariffs, an inflation rate higher than that of the countries with which we trade and higher than the rate of devaluation, and exacerbated public spending since the Gulf War have all led to a doubling of imports in just two years. In the meantime, nonpetroleum exports are stagnant.

The commercial opening had to be financed by oil exports and growing indebtedness, the repatriation of capital, and foreign investments.

Oil prices fell at the end of 1991, however, resulting in a drop in export revenue and reducing the surplus in the regular account. Today, total exports scarcely cover the level of imports. As the deficit in the balance of services increases, so does the deficit in the regular account.

Officials have not been able to remedy this imbalance through the capital account. Inflation and political and social instability have checked capital income, while at the same time accelerating capital expenditures. If, in 1991, a surplus in that account was achieved by the

acquisition of privatized assets, in 1992 it was accomplished by running the PDVSA [Venezuelan Petroleum] into debt.

Under such conditions, the balance of payments deficit grows and reserves actually fall further than what the Central Bank is admitting.

* Bishops Conference President on Human Rights

93SM0228C Caracas EL NACIONAL in Spanish
11 Apr 93 p D1

[Article by Jose Marin]

[Text] Maracaibo—Over a four-year period extending from October 1988 to September 1992, a total of 427 persons were killed by police and government security forces, according to statistics from the Venezuelan Program of Human Rights Education and Action. One must add to this figure the number of those who died in the events of February 1989, those killed in last year's military uprising known as "27-N," and the hundred or so prisoners from the Catia reserve corps to whom the so-called "Escape Law" was presumably applied.

For Monsignor Ovidio Perez Morales, president of the Venezuelan Bishops Conference, there is deep-held scorn in Venezuela for the rights of others.

"Human rights are violated, not only by terrorism, repression, and murder, but also by the very existence of conditions of extreme poverty and unjust economic structures that generate great inequalities."

The archbishop of Maracaibo maintains that "political intolerance and indifference to the situation of widespread poverty shows a scorn for human life about which we cannot remain silent."

In his opinion, "human rights are like a beacon that guides action and that expands as mankind gradually progresses from a humanistic, moral, and religious standpoint."

"The concept of human rights has been gradually shaped as human reflection has grown deeper and the very logic of human rights defines the consequences better."

The Catholic prelate observes that a contradictory situation exists in Venezuela based on the fact that despite "a much more acute perception of human rights, there are flagrant, scandalous violations that are without precedent in history."

"All social classes and individuals in society must become involved" in the protection of the right to life, which the president of the Venezuelan Bishops Conference says is "the first and most basic of all human rights." This crusade for the real expression of human rights includes the right to adequate food, suitable housing, work, and all things needed to lead a normal life.

Death Penalty

[Marin] Monsignor, is it not a contradiction in terms that in a country where the death penalty is not constitutional, dozens of Venezuelans presumably die at the hands of the authorities themselves?

[Perez Morales] In this country, so many human lives are lost as the result of police excesses, individual abuse, and irrational violence that it becomes necessary to continue to reeducate the people and apply the proper sanctions.

[Marin] Do you think the country's ruling class is aware that human rights and the basic right to life must be respected?

[Perez Morales] We must educate the conscience of each and every individual, whether in official or unofficial sectors. The more responsibility one has, the stricter one must be in the application of and respect for the right to life and the treatment of other humans.

The archbishop of Maracaibo said that "this principle must be extended to the entire population because vast sectors of our country have lost respect for the lives of others and the rights of others."

"When we speak of human rights, we must not concentrate solely on the fact that one person perished or that someone with a revolver took the life of another. We must have a broader context that includes the fact that individuals and communities must be given the fundamental services that are basic to their own development. Such a context also includes the responsibility that each one of us has to the common good, which is why we speak of the rights of persons, communities and peoples."

El Amparo Massacre

[Marin] Archbishop, on 29 October 1988, in the Guafitas sector of La Colorada channel in the state of Tachira, 14 fishermen were killed by the Jose Antonio Paez Specific Command in an incident that the country has come to know as the El Amparo massacre. The Military Tribunal has just ruled that no massacre took place and that there had been a skirmish. What do you think?

[Perez Morales] I was one of the first Venezuelans to issue an appeal for an investigation in order to achieve real justice. Three or four days after the incident happened, we were holding a meeting of bishops at which I stated that the Armed Forces would gain in credibility to the extent that they cleared up this case, as would the government.

Monsignor Perez Morales revealed that "in a subsequent document put out by the Bishops Conference, we called attention to cases that needed to be cleared up and to the need to proceed with maximum clarity in order to affirm this country's credibility, faith, and hope."

"Without delving into legal or private matters connected with this or other cases, we did indeed demand high respect for the truth and justice."

The church spokesman warned that "the distortion of truth gave rise to the events of 27 and 28 February 1989."

* Poll Shows Caldera's High Popularity Rating

93SM0228D Caracas EL DIARIO DE CARACAS in Spanish 2 Apr 93 p 30

[Article by Maria Isabel Parraga B.]

[Text] The latest Doxa Public Opinion Institute poll shows that Rafael Caldera, Oswaldo Alvarez Paz, and Andres Velasquez are scoring points. The survey was conducted from 12 to 17 March and 2,000 persons were interviewed throughout the country.

An analysis of political figures shows Caldera with an approval rating of 58 percent, followed by Alvarez Paz with 48 and Velasquez with 39.

These are the only three politicians whose scores have risen since the last poll. Hugo Chavez Frias has dropped 6 percent, and he now has an approval rating of 40 percent, while Claudio Fermin has a positive rating of 29 percent and Eduardo Fernandez has 30.

President Perez has the highest negative rating (80 percent), and only 17 percent of the people have a positive image of him.

Personal Situation

Another area of the public opinion poll evaluates the people's view of their own and the country's situation.

"Venezuelans view the country's situation in totally negative terms, with 66 percent holding the view that the situation has worsened over the past year and 47 percent without hope that it will improve in the near future."

The poll also shows that "56 percent of the people believe their personal and economic situation is getting worse, while 40 percent think it is fine." The high cost of living (24 percent), crime (20), corruption (18), unemployment (12), and the economic crisis (eight) are seen as the country's major problems.

Election Picture

The Doxa poll also measured voting intentions for the next elections.

Some 80 percent of all eligible Venezuelan voters think they will exercise that right in December.

The election picture of the political parties runs as follows: COPEI [Social Christian Party] has the greatest possibility of monopolizing votes for the legislative bodies (26 percent), followed by Cause R (15), independent groups (12), Democratic Action (9), the Movement to Socialism (5), undecided (19), and abstainers (9).

Internal Candidacies

The opinion poll also took up the matter of the parties' internal candidacies.

In Democratic Action, the people's preference in general (whether they are members or not) is generally Claudio Fermin (22 percent). Carmelo Lauria has 10 percent, Luis Pinerua 9, Paulina Gamus 6, and Canache Mata 5.

In order to ascertain preferences for COPEI's internal candidacies, the survey outlined two election scenarios: one with four precandidates, including Rafael Caldera, and one without the former president.

In the first scenario, Caldera came in first (36 percent), followed by Alvarez Paz (27), with Fernandez in third place (16), and Humberto Calderon Berti in fourth (3).

In the second scenario, which included only precandidates truly competing for COPEI's nomination, and without Caldera, Alvarez Paz came in first (44 percent), followed by Fernandez (24), and Calderon Berti (6). Some 18 percent of those polled said they would not vote for any of those named and nine did not answer.

* Editorial Urges Further Election Reform

93SM0228E Caracas EL DIARIO DE CARACAS in Spanish 4 Apr 93 p 2

[Editorial: "The Good Side"]

[Text] Just as the new Voting Law, passed after a second discussion by the Senate, turned out to be a trap, in terms of many of the majority's democratic aspirations, it also has its good side—as all things do—and it is important that we give it its due.

Given the existence of a national consensus on the need to achieve maximum honesty in the next elections, we must emphasize that the reform reduces the proportion of party activists in all electoral bodies.

Complete nonpartisanship would have been preferable, meaning that there would be no party members on the Supreme Election Council (CSE), the principal and municipal boards or the election "tables," since the parties are both "judge and jury" in the process.

Complete nonpartisanship was defended tooth and nail by Senator (AD [Democratic Action]) David Morales Bello. He made it a point of honor and even held back his group's vote in the Senate when party members were approved, as it was obvious that they would be.

However, something is better than nothing and that "something" is that parties will no longer comprise a majority on the CSE or the boards. They may have witnesses on the tables, but the members with real authority will all be independents. The CSE may

summon them to nominate their candidates for these posts, and that the basic requirements be responsibility, honesty, and impartiality.

However, it is still very early to celebrate this good side. While there is no desire to change it in the discussions lying ahead, this provision will not be applicable to CSE members for the December elections because they were appointed for the period ending in 1994. In other words, despite the reform and even though a temporary provision was passed expanding the makeup of the CSE by adding two independents, until then that body will be made up of a majority of party members or independents clearly identified with them. Furthermore, since they will name board members and since the latter will in turn name the members of the tables, we can conclude that there will be no absolute nonpartisanship for the December elections. In other words, the possibility of rigging like that which occurred in the shameful 1992 election has not been eliminated.

What is to be done? The only way to hasten the nonpartisanship provided for by the new law and that has long been sought—for good reason—by CSE Chairman Isidro Morales Paul himself, is for the members of that organization to make it possible by making the democratic gesture of allowing other Venezuelans to take their places.

Nonpartisanship is a basic necessity if we are to have clean elections and prevent the social explosion that could be set off by another fraud.

Its accomplishment now depends solely on the conscience of eight Venezuelans: the president and the remaining members of the Supreme Election Council.